War Solves Canada's Wheat Problem (Page 11)

THE FINANCIAL POST

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Largest Circulation of All Canadian Financial Papers

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The Nation's Business

Munitions Programme Still in Abeyance

Placing of a small initial "educational" shell order in Canada by the British Supply Board does very little to solve the mystery of the missing war orders.

The Financial Post understands that this initial order is for a very nominal amount—the merest chicken feed in terms of a wartime effort. It is apparently part of the initial authorization brought to Canada early in September by the advance guard of the British Mission. The buying programme at that time was predicated on a peacetime, not a wartime, basis. Only now is it being implemented.

No programme of "war" buying, as far as munitions are concerned, has yet been authorized or implemented.

Canadians may still rightly ask, "Why the delay?" Has the Canadian Government been too "isolationist," too niggardly in its negotiations? Have the Britishers made unreasonable requests in seeking to tap Canadian resources "on credit," rather than arrange payment in gold or through repatriated securities?

* * *

No one seeks to underrate the difficulties faced in planning a cooperative war effort between Canada and Great Britain. Our own unpreparedness prior to September 1, the unexpected nature of the war itself, are but two of the hurdles to be surmounted. The fact that important deals have already been accomplished in respect of bacon, base metals, mine sweepers and several other essential items, indicates that considerable progress has been made. Most serious delays have been in making use of our highly developed steel mills and machine shops, capable of turning out shells, guns, equipment and other munitions of modern mechanized warfare. To date there has been little to allay the fear that precious moments are being wasted by failure to create in Canada a secondary source of supply for Allied war munitions.

Canadian industry cannot be put on a wartime basis overnight. Yet as the days go by there is increasing questioning as to why so little action has been taken toward permitting Canadian industry to prepare itself for making a worthwhile contribution to the Allied war effort.

* * *

Britain's Lead in War Criticism

British newspapers provide clear evidence that folks in the Old Country have not destroyed democracy in order to win a war for democracy. The press of the United Kingdom is as firmly united behind the war effort as the press of Canada. But the press in England reserves the right of outspoken criticism of the Government's policies and methods in fighting the war.

One can scarcely pick up a daily, weekly or monthly journal from the Motherland without reading some critical comment on official policy. No effort is made by officialdom to suppress or modify such criticism. Rather it is regarded as a healthy evidence of the spirit of the people and a prophylactic to such evils as hampered our effort in the last war.

* * *

In Canada we may well follow that example. Some newspapers here—as fervently loyal to Canada and the Empire as any newspapers we have—have reserved the right of constructive criticism. Other newspapers have surrendered it. One, at least, of the country's leading daily newspapers will not even run news reports of criticisms made of the Government by other people.

The Owen Sound Sun-Times is another newspaper that feels that criticism is unwise. It asks if critics of government policy realize that they are "giving aid and comfort to the enemy." Specifically it puts that question to Dr. Manion, Col. Drew and Premier Hepburn and it refers to some criticisms that have appeared in The Financial Post.

It adds this comment:

"In this free country people have the right to criticize; but they should use judgment in the content and manner of their criticism. Whatever may be the necessity, the foundation or the good faith of their criticism, is it wise to leave ground for others to picture Canada as a divided country where the people are quarrelling among themselves? The Federal Government, in close touch with the centre of the Empire, should know what is wanted and what to do better than the outsider."

* * *

The Financial Post believes that most thoughtful Canadians will hold another view, the view that intelligent, constructive criticism is as desirable in times of war as in times of peace. In England there is no blind obedience to the dictates of the central authority, there need be none in Canada. The press, political leaders, and the public generally should watch their government authorities vigilantly, giving encouragement, voicing words of praise where deserved but criticizing frankly when mistakes are made.

Criticism with a purpose will spur the Government on to greater efficiency. It will prevent those abuses and mistakes that came so close to losing us the last war.

* * *

Absurd to Argue Short-wave "Unfriendly"

The Canadian Government is said to have abandoned the idea of acquiring a short-wave broadcasting station. It fears it might be accused of trying to influence opinion in the United States. Ottawa has appar-

(Continued on page 2, col. 3)

Red Influence Linked To Pacifist Avowal

Origin and Promotion of "Witness Against the War" Linked With Organizations With Demonstrated Radical Leanings and Policies

Ontario authorities have apparently dropped their plan to act under war legislation against the signatories of the recent "Witness Against the War" statement, endorsed by a number of ministers and laymen of the United Church of Canada.

Origin of the document was attributed by Hon. Gordon Conant, attorney-general of Ontario to a man "outside of Ontario," who belonged to the Fellowship of Reconciliation. Mr. Conant cited "a reliable authority" to identify this body as a "radical pacifist organization using the cloak of religion to spread Communist propaganda."

The Financial Post has conducted an independent investigation into the origins of this anti-war declaration, issued when the nation was at war. Its investigation reveals that the shadow of Communist-leftist influence lurks in the background of this pacifist declaration, which aroused so much concern among Canadian citizens united in an effort to win the war.

Joint Declaration

The non-participation declaration in question was published some weeks ago in the United Church Observer, a Toronto fortnightly publication, which is the official organ of the United Church. It was in the form of a letter to the editor headed: "A Witness Against the War." Taking the form of a joint assertion of disapproval of the present war and conscientious unwillingness to participate in any activity directly connected with war effort, the document was signed by some 70 men.

This roster, and a supplementary list of signatories published in a later issue of the Observer, consisted chiefly of United Church ministers. However, some church laymen subscribed to the declaration.

Source of Statement

Direct and careful investigation by The Financial Post on its own account reveals that the information on which Mr. Conant based his statement gave only a partial picture of the development of the anti-war "witness." In the drafting and promotion of the document, not one but at least three leading members of the Fellowship of Reconciliation were prime movers. Furthermore, a large proportion of the signers of the declaration — perhaps 50%, it would appear—are members of the F. O. R.

It also develops that the author of the original draft of the pacifist avowal is a member of both the F. O. R. and the Fellowship for a Christian Social Order, which even its own members describe as a "radical Christian" group seeking reform of social, economic and political conditions. It is deemed to have given a sympathetic ear if not encouragement to, at least some of the policies and activities of Communist, Socialist and other leftist groups.

The F. C. S. O. is cited among the radical and leftist organizations listed in "The Red Network," an exposé of Communist-leftist subversive activity in the United States, published a few years ago by Mrs. A. W. Dilling of Chicago. According to this volume, the American F. C. S. O. was merged with the Fellowship of Reconciliation in 1929, but local groups and members appear to be still active in Canada on a separate basis.

Parallel Statement

It is interesting to note that the issue of the United Church Observer after that containing the "Witness Against the War," carried a statement on "Christians and the War" from the national executive of the F.S.C.O. While it did not adopt or recommend a pacifist stand, it blamed the war on a variety of causes. These included "God's judgment on a sinful world"; the "rottenness of our corporate life"; toleration of "an acquisitive society which breeds war"; and permitting "in the midst of widespread poverty, a prosperity due in no small measure to the sale of war materials to aggressor nations."

Among suggestions for the responsibilities to be assumed by Christians in the war, the statement proposed working for "freedom of speech, freedom of assembly, the rights of unemployed and dependents, the rights of workers to organize and bargain collectively." Such phrasing can be found in many a manifesto of leftist organizations.

"Radical Pacifist" Body

In "The Red Network," extensive roster of Communist-leftist and sympathetic organizations in the United States, the Fellowship of Reconciliation is classed as "a radical-'pacifist' organization of about 10,000 members employing Christian terms to spread Communistic propaganda."

Also, the book's roster of "Who is Who in Radicalism" cites John Nevin Sayre, executive head of the F. O. R. organization in the U. S.; J. B. Matthews, joint F. O. R. secretary with Mr. Sayre at the time the book was written; and others active in the F. O. R., as supporting or associated with leftist activities. Mr. Sayre has been associated with the American Civil Liberties Union, a Red-influenced organization.

Among those who have been prominently identified with the American F. O. R. are Roger Baldwin, supporter and participant in Communist and Communist-inspired activities, who served a federal prison sentence in 1918-19; Scott Nearing, listed in "The Red Network" as a "very prominent Communist," who was

(Continued on page 2, col. 2)

Gypsum, Lime Earnings Rise

Company May Show Earnings of 50 Cents a Share on Common

From Our Own Correspondent

MONTREAL.—Earnings of Gypsum Lime and Alabastine, Canada, Ltd., for the year ended Nov. 30 are higher than in any year since 1930.

The company's annual report will not be available until early in 1940, but it is known that earnings are well ahead of recent years. In fact, expectations are the company will show a net profit equivalent to between 40 and 50 cents a share on its common stock. In the year ended Nov. 30, 1938, the company earned 17 cents a share.

Sales of the company in the 12 months ended Nov. 30 showed a good improvement over the previous year. This is especially true of the building materials division, sales of which reflected the prewar increase in building activity.

Operations of Standard Lime Co., a subsidiary, have also been better. In 1937-38 this company had an operating loss. For 1938-39 it is likely to show a small profit. Improvement in the operations of this company is largely due to increased sales of lime to pulp and paper companies.

As a result of the improvement in earnings, working capital has increased from the $775,822 reported at Nov. 30, 1938.

Official information is lacking, but the company is reported to have purchased an additional amount of its 5½% first mortgage bonds for sinking fund purposes. Bonds for this purpose were purchased by the company in each of the past four years, a total of $431,500 being held a year ago.

Coming In The Post

Short war or long war? That is the question most frequently asked today.

Upon this factor hinge many important developments in the economic and business field. Two authorities will present the pros and cons of the situation in an early issue, another will describe just what modern war means to industry.

And more special articles on investing in wartime.

$50 Newsprint To June 30

International Paper Co. Extends Present Price Through Second Quarter

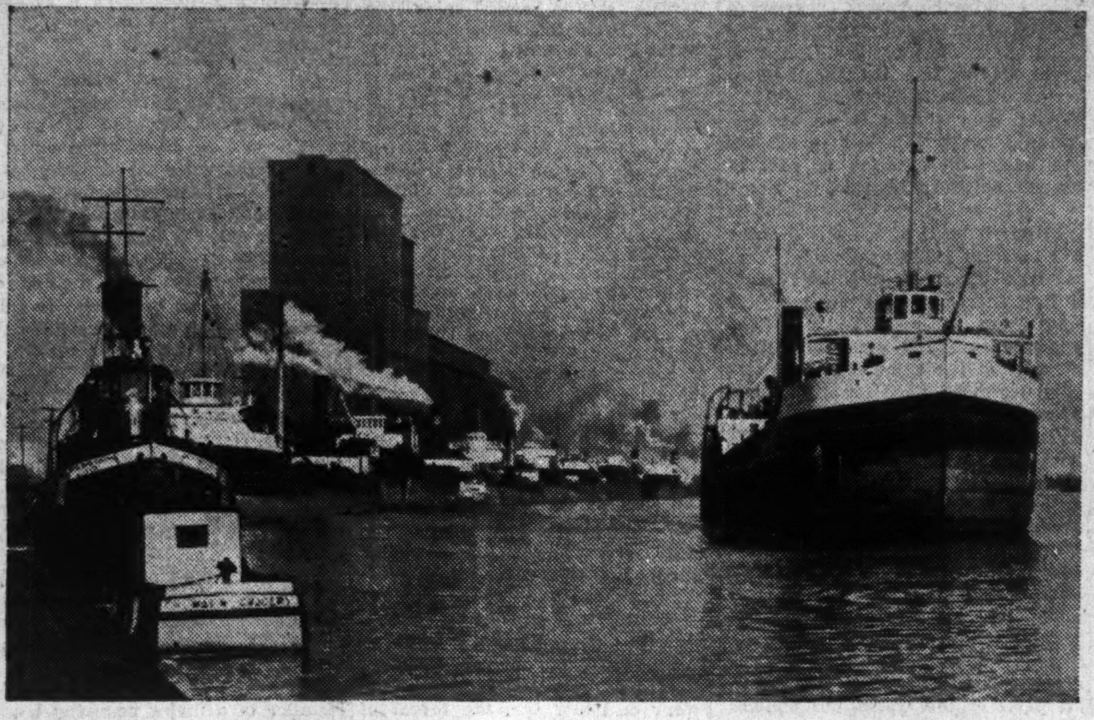
From Our Own Correspondent

MONTREAL. — R. J. Cullen, president of International Paper Co., has announced International is extending its present newsprint prices until June 30, 1940, without change. This means that the company will maintain the price of $50 a ton for New York delivery, with a differential for other areas.

It contrasts with a $50 price recently announced by Great Northern Paper and other American operators for the second quarter of next year. Previously the Great Northern group had been selling paper at $2 a ton less than International and the Canadian mills price.

The doing away with the differential is looked upon as greatly strengthening the market position in the United States of International and other mills adhering to the same price policy. Continuance of the present price by International, which will undoubtedly be followed by the Canadian mills, is a strengthening of the industry's policy to maintain an orderly newsprint market.

At the outbreak of war Canadian mills announced they would seek to keep the newsprint market stable and would extend the $50-a-ton price for 1939 through to the end of the first quarter of 1940.



RECORD GRAIN MOVEMENT— —J. A. Smith photo.

Over 50 million bushels of wheat moved out of the twin ports of Fort William and Port Arthur during the last half of November and this record volume is expected to continue in December so long as the Great Lakes remain open. British shipping is being requisitioned for Canadian wheat shipments.

Ebb-Flow of War Trade Current Favors Canada

Highlights

Canada's wheat marketing problem has been solved for the duration of the war, is the conclusion highlighting a staff survey of war's reaction on the mammoth grain growing industry. While prices may cause complaints and lack of shipping hold up export at times, war demand should assure a volume of shipments that will absorb even the bumper crop of this year.

War Solves Wheat Problem—p. 11.

* * *

Mining share prices appear to have drifted back to prewar levels, though an early flurry at outset of the war gave promise of a more buoyant trend. What has happened and why is analyzed by Staff Writer Bruce McKinnon.

War Bogs Down—p. 19.

* * *

Bonds were given their traditional place as investment standbys in 80% of the portfolios entered in The Post's "Investment in Wartime" contest. C.P.R. and Price Bros. issues were most repeatedly favored it is shown in a study of the entries.

Bond Choices—p. 11.

* * *

Newsprint supplies from Finland and Sweden, an important world source in recent years, appear likely to be choked off by developments arising out of the Russo-Finnish war.

Finn-Swedish—p. 13.

* * *

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Canada at War

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Major Trends Now Beginning to Emerge From Rapid Changes and Confusion — See Benefit for Dominion from Wartime Realignment

From Our Own Correspondent

OTTAWA.—Trade experts in the Government service are striving to keep abreast of the ever-changing, ever-baffling panorama of wartime trade.

They are sure that as the war progresses, the foreign trade of Canada will increase. But they are unable to predict the extent or the direction of the increases. Right now, they are finding the utmost difficulty in seeing 48 hours ahead. Even the war itself is proving less complex and baffling than the task of carrying on trade under war conditions.

Canada's outflow and inflow are already affected in a thousand different ways and every hour adds to the confusion. This country is doing foreign business at the rate of about $1.5 billions per year and while everyone agrees that the total will rise, nobody knows where and to what extent there will be losses and gains.

Direct Effect

To begin with there is the direct effect of the war upon trade. Our exchange of goods with the enemy is stopped, which means a loss of $11.5 millions in imports and $14.6 millions in exports. Our trade with Russia has about ceased but, so far as direct trade is concerned, this is only a flea bite.

Our trade to the Baltic countries which have either become dominated by Russia or, like Finland, are now being smashed up with the hammer and sickle, is likely to disappear. Poland itself has disappeared.

It is useless to try and assess what these actual war developments have cost this country. Much of the trade was done indirectly. Much of it may have been on account of other countries.

Effect on Shipping

Next in importance comes the effect of the war on shipping. The sub campaign plus the need for Britain and France to mobilize their merchant shipping for war purposes, has caused acute shortage of shipping on Canadian trade routes. According to statements in the British House of Commons this shortage is now being rapidly relieved on Canadian Atlantic routes. But Vancouver will feel the pinch.

The lack of shipping adequately to serve Vancouver is directly related to the decision of the Government to advance $25 millions for additional railway facilities. Much of the tonnage that moved outwards through Vancouver will now have to be hauled eastward by rail. But, again, the exigencies of war will compel shipping to be sent to Vancouver to haul lumber to Britain.

Britain's supplies of lumber from the Baltic, including Russia, were dwindling rapidly before Russia attacked Finland. This source of supply for Britain may now be considered closed.

Atlantic Problem

But as the mists clear away from the shipping situation, it is being revealed that Britain and France are concentrating their ships on the most efficient route—the North Atlantic. This makes more acute the problem of exporting Canadian goods to the seven seas. Much of our exports to the Far East, to Africa, South America, the Mediterranean, and to the Antipodes will have to be carried in other than British bottoms.

The advantage, therefore, of the recent ruling in Washington whereby Montreal, Quebec, Saint John and Pacific ports are left open to U. S. ships, becomes obvious. But it is impossible as yet to come to any judgment on the shipping situation. Not until the long range effect of the sub campaign is known will this picture be clear.

Currency and Exchange

Two other factors operate constantly to confuse and bewilder the trade experts.

The first is currency. During the world war of 1914-18 there was no currency instability. The gold standard applied throughout, greatly simplifying the task of importers and exporters. But in this war there is almost a complete absence of currency stability and there is, as well, a constantly changing body of regulations, licenses and other direct governmental interferences.

So far as exchange is concerned, the world seems to be rallying into two main groups—the sterling group and the dollar group. In between the two are numerous important countries who either elect not to belong to either of the large groups or who have yet to make up their minds.

The sterling group, of course, follows Britain and the currency in these countries is at a heavy discount in the dollar area which is dominated by the United States. Canada stands midway between the two and other countries such as Norway, Sweden, Denmark, Holland, Belgium and so on are in various positions.

Trade Influences

By and large, it is true to say that Canada's position with the sterling area encourages imports and discourages exports. With the United States and the dollar group, on the other hand, our position aids exports and impedes imports.

Until the boundaries of each of these areas is clearly defined, which may not be until after the war, it is simply impossible to translate this currency situation into terms of trade. But it is rapidly becoming clear that the sterling area is trying desperately hard to coop itself in, to become self-sufficient, to conserve to the greatest possible extent its purchasing power.

Trends Developing

The major trends of the war, it is believed, are only now beginning to appear. On the surface there appear endless disturbances in the form of regulations, licenses, surtaxes of one kind and another. But underneath, the current is beginning to flow Canada's way.

In 1914-18, Britain lost heavily in export markets to the United States. The reason was obvious. Countries, particularly South American countries, sold their produce in Britain. They were paid in pounds but they were unable, owing to war conditions, to buy the goods they desired in the British market. Therefore, they transferred their pounds to New York and used the dollars to buy what they needed in the United States.

But in this war, such a transfer can only be made at a staggering loss on exchange. The developments to date indicate that much the same difficulties will arise. Britain will have trouble maintaining her peacetime outflow of export goods, while her purchases will be maintained. But British pounds can be transferred to Canada much more advantageously than to the United States, because a pound will buy more Canadian than United States dollars.

Eaton's Open At Vancouver

Mail Order Warehouse and Showroom For Heavy Goods Established

From Our Own Correspondent

VANCOUVER.—The T. Eaton Co. has established a mail order warehouse and sales floor here on Granville St. for heavy goods.

In an announcement the company says that, commencing with the issue of the spring and summer catalogue in January, British Columbia customers are invited to send their orders for heavy merchandise to the new branch. As shipment will be made from Vancouver, rather than from Edmonton as in the past, a saving in delivery time is expected. Orders for lighter lines and wearing apparel will still be sent to Winnipeg.

On the sales floor customers will be able to examine at first hand a representative line of heavy goods.

Shawinigan is Constructing St. Lawrence Power Line

From Our Own Correspondent

MONTREAL.—Shawinigan Water & Power Co. has deposited plans with the Minister of Public Works at Ottawa, covering the construction of four overhead transmission line crossings to be built over the St. Lawrence River

Construction of these towers has been made necessary by the signing of a new power contract between the company and Marine Industries Ltd., at Sorel. The latter has entered into various contracts, including one with the British Government, which call for a greatly increased scale of operations and, in turn, will require several thousands h.p. of electrical energy.

Present line facilities are not large enough to take care of the increased load, and to that end Shawinigan is building a new line from the north to the south shore at a point just about opposite Sorel. In all an outlay of around $500,000 is planned and the work will take several months to complete.

The main towers will be 375 ft. high and the span across the river will be approximately 3,900 ft., with the transmission line suspended 170 ft. above the water at its lowest point. The line has been designed to carry 110,000 volts.

St. Lawrence Plan Advances

From Our Own Correspondent

OTTAWA. — Washington's forecast of a St. Lawrence power and seaway treaty being signed before the New Year seems to be moving toward fruition.

Last week, Dr. Hogg, chairman of the Ontario Hydro-Electric Power Commission, visited the Capital to discuss with departmental officials the terms of an agreement between Ontario and the Dominion Government as to division of costs.

Hydro's chairman has also visited Washington where an equally warm welcome was accorded him. Since both Washington and Ontario are eager for immediate action on the seaway, the only stumbling block would now appear to be a disposition on the part of the Canadian Cabinet to demur at being hurried into this huge undertaking.

Ruling Curbs Can. Exports To Australia

Commonwealth Issues Customs Order Affecting Nonsterling Nations

Canadian exporters are much concerned over the new customs regulations announced by the Australian Government to curtail imports. Canada in recent years has exported an average of $32 millions of merchandise annually to the commonwealth and a great part of this trade is believed to be in jeopardy.

"If these restrictions are enforced to the letter and according to our present information," said one authority to The Financial Post, "the result will be very serious."

The restrictions, according to the official announcement, apply to imports from non-sterling territories, which term includes Canada, Newfoundland and Hong Kong.

Four Categories

Goods imported by Australia are graded by the new regulations into four categories according to degree of importance. Goods in categories A. B and C may be imported under license during the first two months of the licensing period dating from Dec. 1. This license will permit import of the commodities listed, up to one sixth of the total value of the imports of the particular item during the 12 months ended June 30.

This at present is interpreted as meaning not more than one sixth of last year's full imports can be brought into Australia in two months licensing period, which implies no change for the time being. At the end of two months, however, it is expected the matter will come up again for revision.

But licenses to import goods in category D will not be granted at all unless very special reasons exist.

The list of commodities in category D is a lengthy one and includes such items as :

Malt and spirituous liquors, tobacco, cigarettes, cigars.
Sugar, syrups and molasses.
Agricultural animals, bacon, dairy products, fish, meats.
Textiles, metals and machinery, including agricultural machinery.
Electrical equipment, pumps, tools, locks, tubes.
Paints, gypsum, wood, wicker and cane, including furniture.
Timber and plywood.
Hides, leather and rubber.
Vehicles, including motor vehicle parts, chassis assembled.
Pianos.
Asbestos cloth, rope and cordage.
Pig lead and copper in matte.

Transit Goods Exempted

The new order does not apply to goods in transit on Dec. 1 provided importation is effected by Feb. 29, 1940. Nor does it apply to goods on order for which drafts have been drawn and letters of credit established prior to Dec. 1, 1939.

In the case of other goods license for import will not be granted if they are in category D. Even if in categories A, B or C, license will not be granted if the values are appreciably in excess of 1/6 of the value of the Australian importer's total importations of the same goods in the year ended June 30 last.

Montreal Power's Output Sets Record in November

From Our Own Correspondent

MONTREAL. — Montreal Power reports electricity output for consumption in the Montreal area during November as the highest recorded in any month in the history of the company. Output amounted to 115 million kilowatt hours as against 104 million in Nov., 1938. This brings output for the first 10 months of 1939 to 1,093 million kilowatt hours, compared with 1,027 million in the same period last year.

Massey-Harris Awarded Test Shell Order

Contract on Educational Basis of Moderate Proportions — British Deal

The shell order placed with Massey-Harris Co. this week on behalf of the British Government is primarily an educational order, The Financial Post understands that its dollar value comes nowhere near approaching the $5 millions figure suggested in some accounts.

Though small in itself, the order is significant in that it will allow Massey-Harris to secure the necessary machinery and get its plant into condition for speedy production on a large scale.

At least two other small British shell orders have been placed with other firms, it is said. Total value of all orders is believed to be well under under $1 million.

As The Financial Post has been reporting, businessmen are convinced educational orders must be given now if Canada is to play her part in the Empire effort promptly and efficiently.

Limited Information

Despite the announcement of Prime Minister Mackenzie King that more information regarding Canada's war effort was to be given to the public, and the desire of some leading administrative figures to do so, the public has little or no assurance that Ottawa announcements regarding war supply purchases are either complete or up to date. One Government official, for instance, has suggested that nothing should be announced about war orders until after the order has been completed or partly so—which would likely mean a delay of several months or even years.

Up to Nov. 21, the War Supply Board has announced, it has awarded contracts totalling $45 millions for war materials and defense projects. The Government likes to include as a "war" order the additional $25 millions it is spending on new equipment for the railways.

Details of Orders

That amount of $45 millions is made up as follows: aircraft, $14 millions; clothing and equipment, $8 millions; foodstuffs, $4 millions; construction projects, $1 million; fuel, $2.5 millions; machinery, $1.5 million; motor vehicles, $450,000 and miscellaneous, $5 millions.

Announced subsequently was the order for 30 steel anti-submarine "whalecatchers." Ten of these were to be bought by the British Government, 20 by the Canadian at about $40,000 each, or $12 millions for the lot. While this order has not been officially confirmed, it seems that it does or will exist. It is not clear whether this is included in the originally announced total of $45 millions.

In anticipation of sharing in this business, two Pacific coast shipbuilding firms are building new graving docks at a reported total cost of $100,000.

Aircraft companies still await the big orders, rumors of which have been circulated widely. National Steel Car, which has been building Lysander craft for over a year, recently flew the first in test flight and is now engaged in further enlargement of its plant.

Canadian Associated Aircraft is believed preparing to produce Sterlings, twin-engined, long-range craft. Aircraft orders placed since September are officially stated to involve 125 craft, value around $14 millions.

National Steel Car has been busy on a shell order for the British Government for over a year now, the output believed to be around 12,000 weekly.

British-Canadian Export Co-operation Evidenced

Evidence is already available that certain British firms are working along the lines advocated in The Financial Post last week on the basis of the proposal by John E. Goodison, Sarnia, Ont. They are arranging to have export markets supplied from Canada where there is danger of interruption of supplies.

It is known that trial shipments of Ovaltine are being made by A. Wander Ltd., Peterborough, to the British West Indies for the account of the parent company in Britain.

One of the larger plumbing and pipe manufacturers in England has been making arrangements with an Ontario firm to arrange for the manufacture of certain of their products in Canada.

Mr. Goodison's own firm has received enquiries from a British exporting firm for 75,000 plow shares and several thousand other parts for plows. The former source of these parts had been Czecho-Slovakia. The Goodison firm turned the order over to another Canadian farm implement concern. There are other examples as well.

C. M. A. Moves

The Canadian Manufacturers' Association has taken up the idea and is circulating its members to ascertain views on the subject. One objective is to convince the British manufacturers and exporters that Canada is not trying to steal their markets, but is rather offering services for the period of war need and subject to definite arrangement directly between the companies concerned.

Under normal circumstances there would be little chance for such a move. When an importer in a South American country, for example, finds that improving prospects show that he will need more than his usual supply, he ordinarily gets in touch with his regular source of supply, probably in Great Britain. If this British manufacturer is busy with war orders and unable to supply the goods, he will normally reply to the prospective importer to this effect, thus causing some delay.

The importer then will look around for another source of supply and repeat his enquiry. But the initiative for finding a supplier will be left to the buyer.

C. P. R. Smelters Income Down

Payments This Year Are Reduced 50 Cents a Share

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway income from its investment in Consolidated Mining and Smelting Co. will amount to $3,365,000 this year, a reduction of $841,250 from 1938.

In addition to its regular semi-annual dividend payable Dec. 30, Consolidated Smelters has declared an extra dividend of $1 a share. This brings total payments for the current year to $2 a share as compared with $2.50 a share in 1938. The C.P.R. holds 1,682,500 common shares of Consolidated Smelters.

Arthur B. Purvis, president of Canadian Industries Ltd., has been elected to the board of directors of Consolidated Smelters to fill the vacancy caused by the death of Sir Charles Gordon.

MEN'S SHOP

FINE APPAREL FOR MEN

GIVE A MAN GIFTS HE WILL WEAR

Choose them at the Men's Shop from wide selections of correctly styled, sensibly priced accessories and clothing! "Huntingdon" Shirts in separate, tab, starched or collar attached styles. Fine quality English Cotton Broadcloth in handsome stripes and plain shades. Each 4.00. Other shirts each 2.00 to 5.00. Imported English Real Silk Foulards each 2.00; others from 1.00 to 3.00.

Imported real silk pyjamas in plain shades. Suit 8.50. "Huntingdon" High-Rise Cotton Broadcloth Pyjamas in smart stripes or plain shades. Suit 5.00. Other Pyjamas suit 2.00 to 10.00.

FREE PARKING WHILE SHOPPING

MEN'S SHOP

BAY STREET SECTION

EATON'S - COLLEGE STREET

Obituaries

R. D. Fudger, chief underwriter Wawanesa Mutual Insurance Co., Toronto office, aged 47, at Toronto.

George F. Ancrum, one-time treasurer Canadian National Railways and associated companies, aged 66, at Montreal.

W. J. Uren, formerly assistant general superintendent, Canadian Pacific Railway, aged 67, at Montreal.

L. J. W. Benison, president Benison Co., advertising agency of Montreal, and formerly vice-president McConnell & Fergusson (now McConnell, Eastman & Co. Ltd.), aged 52, at Montreal.

George Rothwell, director of production service, Dominion Department of Agriculture, aged 55, at Ottawa.

S. T. Sheppard, formerly secretary-treasurer, Aikenhead Hardware Ltd., aged 82, at Toronto.

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DIVIDEND NOTICES

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Stock Dividend No. 48

NOTICE IS HEREBY GIVEN that a dividend of $1.50 per share being at the rate of 6 per cent per annum has been declared on the 6 per cent cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited for the quarter ending December 30, 1939, payable January 15, 1940, to shareholders of record at the close of business December 30, 1939.

By Order of the Board.

FRED HUNT,
Secretary.

November 29th, 1939.

The Choice of Discerning Men

ACME GLOVES

When buying gloves, always look for the ACME trade mark — your guarantee of distinctive style, fine quality and long service.

Acme Glove Works
LIMITED
MONTREAL

The Nation's Business

(Continued from page 1)

ently succumbed to the belief that short-wave broadcasting would be a "false move," that it would give U. S. isolationists a "cry."

This point of view simply does not hold water, in face of present broadcasting conditions and needs.

There are at present in the United States about 13 short-wave broadcasting stations and hundreds of other radio stations. Canada is blanketed by their news, commercial and cultural programmes. In some parts of Canada these are listened to more freely than broadcasts from our own Canadian stations.

Why then should it be an unfriendly act for Canada to operate one short-wave station as part of its national radio facilities?

• • •

From all parts of the world there has been an insistent demand from our trade commissioners that Canada utilize short-wave as an essential sales weapon in merchandising Canadian products and attractions. High officials of the C.B.C. have repeatedly urged the need for short-wave broadcasting to tell Canada's story in Europe, in England and in South America, as well as in the United States.

Since the outbreak of war this need has become more insistent.

In addition to ordinary peacetime arguments there is the added need for dispelling false rumors maliciously spread in the U. S. about restrictions placed on tourist trade. There is the need for telling Britishers and English-speaking peoples in all parts of the world the policies and achievements of this country in time of war. There is the need for interpreting Allied war aims to the American people to offset the false and misleading propaganda in that country.

• • •

In terms of what Canada is spending for destructive weapons to fight this war the outlay to erect and operate a short-wave broadcasting system is nominal—little more than the cost of a first-rate bombing plane.

Canada has every right to erect such a station; has every right to operate it for legitimate purposes without fear of committing an "unfriendly" act towards the United States.

To quote the Winnipeg Tribune which strongly supports The Post in urging such a move:

> "The station would give the senior Dominion a voice in the battle of argument now raging nightly over the globe. This would be no small addition to the Empire forces on the radio front. For example, German short-wave stations at first made great play with the Duplessis election to show that the British nations were not united. When Quebec overwhelmingly crushed Duplessis, the German stations ignored the fact. Had Canada had her own short-wave station she could have made the whole incident a powerful demonstration to the world of Canadian and Empre unity.
>
> "Can Canada afford any longer to ignore this opportunity to place her views and offerings before the world?"

• • •

Must Abitibi Be Sold at Auction?

Increased business demand plus a beneficial premium on U. S. currency has changed the outlook for the Canadian newsprint industry.

But this change has not removed from shareholders of one of Canada's largest newsprint companies, Abitibi Power & Paper Co., the threat of the auctioneer's hammer. The only Abitibi reorganization plan that can as yet claim sufficient support of the senior creditors, the bondholders, is the so-called "plan of procedure." It would put the property "under the hammer" to achieve its rehabilitation.

Preferred shareholders are still asking if their $26 millions in cash investment is to be lost with only the privilege extended to them of buying the company at a price on the fairness of which only the future can decide.

• • •

Many stockholders admit they have themselves to blame for their predicament. In 1937 they blocked a far more generous deal than they can now expect to receive voluntarily from bondholders. They have to admit the justice and precedence of the bondholders' claims. Bondholders put almost $50 millions in cash into this company and have gone without eight years' interest. In another couple of years accumulated unpaid interest on this huge investment will almost equal the present market value of the bonds themselves. Bondholders are entitled to the return of their principal which was the understanding on which they bought Abitibi bonds back in 1928. This claim even the most ardent of shareholders' spokesmen do not dispute.

But is this the time to decide that there is little or no chance of Abitibi properties ever being worth more than the money loaned on security of a pledge of the company's assets?

Must one adopt the attitude that the newsprint industry in Canada has so far failed to justify the optimistic hopes of its supporters of ten or more years ago as to leave no equity at all for a $35 millions investment?

This would be a terribly steep price to pay to achieve a solvent company.

• • •

Col. George Drew, leader of the opposition in the Ontario Legislature, has promised that the affairs of Abitibi will be investigated when a special committee starts investigating the Ontario Department of Lands and Forests early in the New Year. This may bring out some sound reason why the auctioneer's hammer is the only practicable method of reorganizing this company. It may show that equity interests have no real claim to consideration. Or it may show that conflict of opinion and interests has resulted in making "use" of stock and bondholders. This has been strongly hinted in some of the statements coming from interested parties.

But it is not too late to make another appeal for compromise of differences.

Any other road seems doomed to bring about dissipation of assets and resources and bitterness of feelings. It will be the individual stock and bondholder who will pay.

To date there has been no single instance of a major company being sold under court order in the history of Canadian corporate reorganizations. There are so many better ways of doing the required job that The Financial Post believes a way can and should be found.

• • •

Alberta Should Benefit Greatly

It is to be hoped that Canadian farmers respond to the opportunity now offered to them of becoming Britain's major source of bacon supply.

Bacon is urgently required by Great Britain to feed both troops and the civilian population. The proposal to ration civilian purchases at the rate of only four ounces per head weekly shows how scarce it is expected to be. It is altogether likely that if Canadian farmers are willing to produce the hogs, a market can be found for quantities considerably greater than those specified in the agreement just concluded.

Every effort must be made to maintain the highest possible standard of quality in Canadian bacon, the best of which is quite equal to the best produced in any other country. There should be laid now the foundation for a business in supplying the British market which should continue long after the war is ended.

• • •

Greatest expansion in hog production will probably take place in Alberta. The additional freight cost of moving grain from that province to market, as compared with other provinces, increases the advantage to be gained by marketing grain in the form of meat. One pound of the latter live weight is the equivalent to approximately 4 to 5 lb. of grain. Any very large advance in grain prices would tend to lessen that advantage.

But at the present time western farmers can afford to feed not only barley and oats, and low-grade wheat, but the highest quality of wheat. And wheat prices will have to rise to a very considerable extent before it becomes unavailable as a feed for 9 cent hogs.

• • •

Communist Wolves And Sheep's Clothing

Well-meaning persons who in good faith subscribed to the "Witness Against War" statement published a weeks ago in the United Church Observer will read, probably with surprise, the disclosures published in this issue of The Post, as to the influences in the background of this document.

A large proportion of the original signators as well as the three prime movers in the drafting and promotion of this document are revealed as linked with a fellowship described not long ago as "a radical-pacifist organization of about 10,000 members employing Christian terms to spread Communistic propaganda."

In light of recent disclosures before the Dies Committee in the United States as to subtle, nefarious ways in which Communists and their "fellow-travellers" have worked through religious and educational groups to destroy democratic institutions and foment discord among freedom-loving peoples, these disclosures are readily understandable. This recent manifestation which caused nation-wide comment and criticism shows how sincere but naive men can lend themselves to furthering indirectly the interests of some cause to which most of them are probably opposed.

• • •

The "enemy behind the enemy" in this war is Communism.

Yet despite the stark treachery of Stalin in Finland and in Poland; despite the revelations of the Russo-German alliance, many Anglo-Saxons still shut their eyes to the way in which Communistic tentacles reach out to strangle the democratic organization.

The ease with which signatures were obtained for this manifesto, which has had a disrupting though fortunately short-lived influence on Canada's united war effort, should serve as a warning. Well-meaning persons should avoid affiliations with organizations parading as Christian or humanitarian but that are in the background guided and impelled by the enemies of everything that is decent as well as Christian and democratic in our way of life.

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OLDER than the Dominion itself, yet young as the latest sound business enterprise, this Bank offers a modern experienced service in every department of banking. No account is too small and none too large to receive the full benefit of our service. You are invited to discuss your banking requirements with us.

BANK OF MONTREAL
ESTABLISHED 1817
"YOUR BANK AND HOW YOU MAY USE IT"—*Ask for booklet*

Red Influence Linked

(Continued from page 1)

indicted in 1918 under the U. S. Espionage Act as the author of an anti-war pamphlet and has been active in many Communist and leftist activities; and Paul Jones, classed in "Red Network" as a Socialist and Communist sympathizer.

Leftist Flavor Denied

Members of the Canadian F. O. R. wing are insistent in their denials that the F. O. R. in either Canada or the U. S. is a Communist-leftist body, or gives encouragement or sympathy to leftist groups. In support of this, they cite persistent attacks which, it is said, have been made by the F. O. R. on the League for Peace and Democracy (formerly League Against War and Fascism). This body is well known in both Canada and the United States as a Communist set-up, inspired and directed from Communist-Soviet sources.

The Fellowship of Reconciliation is declared by its friends to have been the chief antagonist of the League on this continent, and to have actively exposed its objective of disseminating Red propaganda under a cloak of peace advocacy and corralling "pink" and "bourgeois" support for the Red-inspired "united democratic front."

It is said by some F. O. R. members in Canada that an effort a few years ago to expand the scope of the American F. O. R., and take it along more radical paths led to a split in the organization and withdrawal of a certain faction. They also contended that the F. O. R. and Communist policies are basically opposed, in that Communism regards violent seizure of power as an integral means to attain its ends while the F. O. R. seeks to resist any resort to violence in relations between individuals, classes, races or nations. The F. O. R. espousal of brotherly love and reconcilation is the antithesis of Communist doctrine, it is argued.

Reference to Jesus

There is evidence to show, however, that the avowedly Christian inspiration and aims of the F. O. R. do not spring entirely from religious convictions. Decidedly practical, untheological motives for the emphasis on the Christian character of F. O. R. are revealed in an F. O. R. pamphlet setting forth its position. This urges adherents to stand fast in "Position A" and "keep central and typical the reference to Jesus."

This, it is explained, is "to influence churches and the Student Christian Movement and to secure their co-operation in spreading radical Christian views on war economics and race issues." Such a line of policy would also be useful, it is suggested, "for demonstrating left wing Christianity."

Room for Common Ground

Be that as it may, both the past record and present policies of the F. O. R. and its officers appear to offer F. O. R. and leftist adherents much common ground. Current pamphlets issued by the New York headquarters of the F. O. R. suggest that action by "resolute and disciplined groups . . . might be enough to turn the scales of national decision against entering a popular war." This conceivably could cover not only pacifist propaganda, but the "resolute and disciplined" attempts of Communist agents to sabotage united Canadian effort in the present war.

The same pamphlet recommends, as a substitute for defensive war in event of aggression, resort to "non-violent coercion" such as "the strike, boycott, civil disobedience and passive resistance." Presumably such methods would include the sit-down strike devised and fomented by Red and Red-inspired agencies in both Europe and America.

Text of another F. O. R. leaflet is written by Kirby Page, one-time U. S. chairman of the Fellowship for a Christian Social Order. While its subject is aggressive pacifism and the F. O. R., it has a lengthy preamble emphasizing the potential strength of "resolute advocates of a new social order" and what can be done by "a determined minority. . . . in strengthening labor unions, consumer co-operatives and political socialism." It refers to the F. O. R. as "an agency through which a rapidly increasing number of pacifist revolutionists may function corporately."

The inference seems to be that anyone interested in revolutionary pacifism would also be interested in other leftist objectives.

Similarity of Aims

The statements of basis and aims of both the American and Canadian F. O. R. groups are of closely similar wording. One clause promises effort to achieve "a social order in which none will be exploited." However commendable may have been the motives of including such a clause, any suggestion that a new social order is necessary to prevent exploitation of individuals or groups is right down the leftist alley.

The Canadian organization of the F. O. R. is a somewhat nebulous federation of some eight or ten local groups, and scattered individuals. It is a more or less autonomous body with no visible direct affiliation with either the American organization or the international F. O. R. in London, Eng. However, the official leaflet of the Canadian section declares it works in close co-operation with the American Fellowship and recommends subscription to the U. S. group's journal.

The leaflet says that association with the International F. O. R. is planned, but Canadian members say their application to affiliate was turned down because of variations made in the Canadian group's statement of aim.

While neither the American nor the Canadian F. O. R. as organizations appear to have sponsored the anti-war declaration published in Toronto, chief momentum for the avowal was given by F. O. R. leaders. Inevitably a factor must have been the background of F. O. R. policies and pronouncements to which these men had been exposed over a period of years.

Originated at Conference

Originator of the "Witness Against the War" was Rev. R. E. Fairbairn, of Bracebridge, who drafted the original text as a result of discussion with others of like mind. This discussion took place at the Lorraine Camp, an annual autumn conference of United Church ministers in northern Ontario districts, which this year was held at the time of the outbreak of the war.

After drafting and revising the declaration, and obtaining some 10 or 15 signatures for it, Mr. Fairbairn sent it to a fellow member of the F. O. R., Rev. J. Lavell Smith, pastor of Westmount Park United Church in Montreal. The declaration was not endorsed by the Lorraine conference but only by some of the individuals present.

Rev. Mr. Smith is apparently the F. O. R. member "outside of Ontario" referred to in Attorney-General Conant's statement. While he did not originate or prepare the declaration, as indicated by Mr. Conant's early information, there is no doubt that he was responsible in large part for its later momentum. The wide circulation and probably half of the signatures obtained can be attributed to his efforts.

Widely Circulated

After getting the "witness" from Mr. Fairbairn, Mr. Smith had a number of copies made in slightly amended form and circulated them to clerics and pacifist laymen, not only in the Montreal district but in Ontario, the West, and the Maritimes. His mailing list appears to have consisted only in part of men he knew to be fellow F. O. R. members or of pacifist sympathies. It was based chiefly, he told The Financial Post, on the list of signatures he obtained a few years ago for the Canadian version of the English "peace pledge" sponsored by the late Canon Richard Shepherd.

Mr. Smith emphatically declares he is no Red or leftist supporter, and regards as "preposterous and poisonous" the rating of the F. O. R. as a leftist or leftist-influenced body. Like the F. O. R. in the United States, he says he has disassociated himself from the League for Peace and Democracy and that he "backed away from it" on learning of its Communist roots.

Mr. Smith first affiliated himself with the F. O. R. through the American section about 10 years ago, and was largely instrumental in formation of a national F. O. R. body in Canada several years ago. This was undertaken with collaboration of Executive Chairman Sayre of the American F. O. R., who was visiting Canada at the time. Mr. Smith is chairman of the Montreal group of the F. O. R., one of the eight or ten local F. O. R. groups in Canada, and is a member of the national council of the F. O. R. in Canada.

National Council

Headquarters of this more or less loose and sporadically active national body are in Saskatoon, and the executive chairman is Prof. Carlyle King of the University of Saskatchewan. The executive secretary is Cleo Mowers, Birks Building, Saskatoon. Annual membership fee is only 50 cents, but members are encouraged to subscribe at $1 a year to the official organ of the American F. O. R.

Roster of the F. O. R. national council in Canada is given in the official leaflet as follows:

Mrs. J. Stanley Allen, Montreal.
Rev. F. Blatchford Ball, Humboldt, Sask.
Ernest Bishop, Vancouver.
G. Raymond Booth, Toronto.
Rev. Clarence Halliday, Montreal.
Prof. Carlyle King, Saskatoon.
Ted Mann, Toronto.
Cleo Mowers, Saskatoon.
Rev. J. W. E. Newberry, Sudbury, Ont.
Rev. C. Clare Oke, Sundridge, Ont.
Joe Round, Toronto.
Rev. J. Lavell Smith, Montreal.
Robert Tillman, Vancouver.

Of this group, the names of Rev. Mr. Smith, Rev. Mr. Oke, Rev. Mr. Newberry, Rev. Mr. Ball and Rev. Mr. Halliday appeared on the original list of signatories of the "Witness Against the War."

Toronto Impetus

The third man who, with Messrs. Fairbairn and Smith, seems to have been chiefly responsible for circulation and organization of support for the anti-war declaration, is Rev. J. M. Finlay, pastor of the Carlton United Church in Toronto. While not a member of the F. O. R. national council, he is a leading member of the F. O. R. in the Toronto district and is also associated with the Fellowship for a Christian Social Order.

Mr. Finlay tells The Financial Post that he received a copy of the declaration from Mr. Smith, together with suggestion that he have additional copies made for circulation in the Toronto area. He had several hundred copies made and sent them to every minister of all three United Church presbyteries in the Toronto district. Like Mr. Smith, he insists that the Christian pacifist convictions of both himself and the F. O. R. automatically align them in opposition to Communist doctrines and tactics of violence.

Several of the Toronto signatories of the declaration are fellow members with Mr. Finlay in the Fellowship for a Christian Social Order, and in the past have displayed a sympathetic interest in at least some phases of Red or Red-promoted activity. It was at the church of one of them, Rev. R. J. Irwin, that Stewart Smith, Ontario leader of the Communist Party of Canada, was once a guest speaker from the pulpit at a Sunday evening service.

Along with two other F. C. S. O. members and signatories of the anti-war avowal, Rev. Walter Almack and Rev. Fred Smith, Mr. Irwin not long ago was linked with a Red-inspired parade of unemployed to a Toronto church. The parade was promoted by the Ontario Unemployed Federation, a body germinated and controlled from Communist sources.

Factors in Declaration

From the presence of these and other names on the list of signers of the 'Witness Against the War," it is evident that primary factors in appearance of the declaration were the affiliation of many of the signers with the F. O. R.; the overlapping of membership between the F. O. R. and the "radical Christian" F.C.S.O.; and the radical-pacifist, radical Christian, and leftist leanings of a number of the signatories.

It may be argued that leftist sympathies of supporting individuals and the alleged radicalism of the American organization do not justify rating the F. O. R. in Canada as a radical group. Nevertheless, the Canadian F. O. R. avowedly maintains contact with the American group, of which the radical Mr. Sayre is still the head, and Canadian F. O. R. members follow the American F. O. R. journal.

Furthermore, the Canadian F. O. R. appears to function primarily as a mechanism of contact between local groups and individuals, and as a means for channelling pacifism from scattered sources into such joint outbursts as the "Witness Against the War." The Canadian F. O. R. leaflet states its aim is to "bring together . . . all the pacifists and war resisters . . . scattered across the Dominion." Whatever may have been the intention of including the term "war resisters," it certainly opens the door to leftists and others whose objective is not so much peace as hampering of war efforts.

International Group

The use of the phrase "war resisters" also recalls that delegates from the International F. O. R. participated, according to "The Red Network," in at least one conference of the War Resisters International. This organization, labelled plainly in some quarters as "a Communist organization," passed resolutions backing achievement of a new social order by revolutionary uprisings. While declaring against wars to "preserve the existing order of society," it found it "difficult" to condemn wars "on behalf of the oppressed proletariat."

About the same time, the International Fellowship of Reconciliation held a conference from which emanated a pamphlet (circulated by the American branch) recognizing existence of the "class war," dedicating itself to work for "a radical reorganization of society," favoring replacement of private capitalism by collective ownership, and urging study of the "experiment in Soviet Russia."

In seeking to deny any leftist taint or influence in the F. O. R., members note the fact that Rev. Richard Roberts, former moderator of the United Church in Canada, was one of the original founders of the F. O. R. in England during the last war. Certainly there have been no recorded imputations of leftist leanings against Mr. Roberts, who incidentally headed the second group of signers of the "Witness Against the War." But there must have been times, as he followed the record of both the European and U. S. wings of F. O. R., when he wondered if the organization he helped to conceive was not wandering somewhat far afield from its original purpose.

Church's Official Stand

Whatever Mr. Roberts's reactions may have been, executive officials of the United Church of Canada made it quite plain they deplored the action of the signatories of the "Witness Against the War." In a statement published in the Observer issue following that which carried the "Witness," the national sub-executive of the Church declared its adherence to previous Church policy protecting individual conscience in regard to war. But the statement regretted the action of the "Witness" signatories in making their manifesto public, adding:

> "By acting collectively and inviting signatures 'for later publication,' the signatories of this manifesto, however sincere, have gone far beyond the limits of what is wise and proper in time of war. Even the appearance of organizing opinion against the tragic necessities of the community cannot but jeopardize the essential unity and fellowship both of the Church and of the nation."

The sub-executive also emphasized the "unfailing loyalty of the Church, all its presbyteries and the great bulk of the membership, and their willingness to contribute to war service efforts. Not a single presbytery, it was pointed out, had aligned itself in support of the pacifist sentiments of the manifesto, but on the contrary many presbyteries had declared their loyalty.

Supporters of "Witness"

The list of signatories of "The Witness Against the War" follows:

R. Edis Fairbairn
A. I. Manson
J. A. Breckenridge
J. K. Moffat
W. B. M. Metcalfe
J. K. McKenzie
J. Lavell Smith
J. G. Gorwill
A. J. Lawton
J. F. Graham
J. Witzel
F. L. H. Stymiest
W. R. Clements
P. Mathams
C. C. Oke
J. W. E. Newberry
H. H. Eaton
M. N. Ormond
C. Halliday
J. M. Boyd
V. C. Rose
H. S. Belbin
T. F. Duncan
P. Caven
D. P. Hemmeon
D. H. McFarlane
R. D. Smith
R. J. Irwin
C. T. Sylvester
Wray O. Mather
C. D. Farquharson
R. W. Street
W. H. Irwin
Stanley H. Knowles
I. G. Perkins
William Swan
Arthur Barner
Bryce H. Wallace
J. M. Finlay
R. G. Davidson
H. Howey
J. E. Griffith
Harold N. Watt
J. Blatchford Ball
N. L. Daynard
G. W. Tilley
B. L. Oaten
W. J. Huston
F. M. Young
Walter S. Cooke
G. A. Sauder
A. T. McIntyre
A. C. Dayfoot
R. D. Trask
Frank R. Harback
Ruth G. Harback
W. Howey
W. R. Welsh
C. E. Beacom
W. R. Welch
Fred Smith
Harold Toye
Gordon Lapp
R. J. Merriam
Wilfrid Gates
E. Leslie Taylor
Nelson Chappell
Walter C. Almack

Second List

In the mid-November issue of the United Church Observer appeared the supplementary list of 63 names, resulting partly from the appeal for extra signatures included in the declaration when originally published. With the supplementary list appeared an editor's notation that it was published at the request of Rev. Mr. Fairbairn, and that no additional names would be published in the Observer.

Signers of the second list were:

Rev. Richard Roberts
Rev. Scott Milley
Helen M. Crawford
Rev. Winfield D. Race
Edmund Bradt
Mrs. E. Bradt
Rev. T. M. Badger
Harold A. Wills
Rev. Harold M. Bailey
Malcolm MacMartin
Rev. Melvin Dobson
Rev. William G. Berry
Rev. C. Harvey Morrison
Miss C. M. Gardiner
Rev. C. D. Clarke
Rev. H. Gordon Tolton
C. W. Burr
Rev. H. G. de Leeuw
Rev. J. W. A. Nicholson
R. B. Tillman
George Chant
Andrew H. Stevenson
Mrs. Edna Barnett
Rev. F. H. Stevens
Rev. J. T. White
John A. Thompson
Rev. W. R. Cantelon
Rev. D. D. Frazer
Rev. George W. Wright
Rev. George Gough
G. William Elder
Rev. J. Taylor
Rev. Theo. M. Karpoff
A. H. Rowe
Miss Marguerite E. Corner
Rev. M. W. Armstrong
Rev. Ward Maclean
Rev. Arthur Organ
Alice A. Hunt
Maud M. Helmer
N. Fern Scruton
Bessie Irwin
S. Lencer
Marvel A. Clapham
Rev. R. E. Gosse
Rev. Crosley Krug
Rev. Nat. Anderson
Rev. Harry Peters
Miss Hedwig
D. H. Bartling
Mrs. F. H. Metcalfe
Jack Gardiner
F. J. Earl
Rev. J. K. Braham
A. M. Little
G. W. Payne
Rev. Alfred L. Day
Mrs. A. L. Day
Rev. Charles G. Kitney
Rev. C. A. Fornataro
Mrs. G. A. McCullough
Edward E. McCullough
James McCullough

Ottawa Plans to Issue New Trawler Licenses

General Seafoods Ltd. is likely to be given licenses by the Dominion Government to operate two trawlers out of Halifax, N.S.

Authority to issue the licenses is contained in a minute of the Privy Council approved by the Governor-General. The minute states that the company has given "satisfactory assurance that it will continue to buy as many fish from line fishermen as it will receive from the two trawlers."

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European Electric Corp. Affairs Being Wound Up

From Our Own Correspondent

MONTREAL.—Order has been issued for the winding up in Canada of European Electric Corp. H. G. Norman has been appointed provisional liquidator. The court has summoned a meeting of the creditors, shareholders and contributories of the corporation to be held on December 15 to appoint a final liquidator.

The winding up proceedings were initiated upon by the company and confirmed by shareholders at a meeting held in Montreal on Oct. 25.

SIMPSON'S — The Store for Men

WHAT VINTAGE ARE YOUR EVENING CLOTHES?

Sad, but true, your evening clothes do not — like wine— improve with age. There have been plenty of changes in the styling of tailcoats and dinner jackets in the past few years. Note the gentleman sketched on the right. The tails are longer . . . lapels are wider . . . shoulders are broader . . . the hips are hugged more smartly . . . all in all, this SIMPSON-tailored tailcoat can be worn with the same ease as a well-tailored business suit. Stop into the Tailored-to-Measure Shop for a moment or two tomorrow and order that new tailcoat you've been promising yourself.

TAILORED-TO-MEASURE
$40 TO $55

Simpson's

Budget Club Terms if you wish. One-fifth now, the balance, plus service charge, in four equal monthly amounts.

SECOND FLOOR.

London Calling *By Atticus*

Dignity and Shrewdness Decide Britain Against War Propaganda in United States—Able Supporters There

MR. DUFF COOPER

LONDON.—There is dignity, and probably shrewdness, in the decision of the British Government to make no propaganda in the United States of America. Even lecturers are discouraged from carrying out their contracts, although Mr. Duff Cooper was one who did not let down his sponsors. But then Mr. Duff Cooper is not exactly a propagandist. He is more or less a point of view, a condition of mind, a fixed attitude. True, he has eloquence and a feeling for language, but he is too honest to instill himself subtly into men's minds. He prefers to affront their consciences.

I am grateful, however, to a New York publication which has been collecting specimen examples of American neutrality. I give them without comment:

Mr. William M. Jeffers, president of the Union Pacific Railroad.

"We should tell Hitler, if necessary, that he's not going to win the war, and we're going to see that he doesn't."

Admiral Yates Stirling, U.S.N. (Ret.).

"The United States should openly show its abhorrence of Germany's submarine campaign. That can be done by joining the Allies."

The Countess Clara de Chambrun (sister of the late Nicholas Longworth).

"Fear of war is un-American."

Chief Justice Ailshie of the Idaho Supreme Court.

"It made my blood boil to read about some students at Cornell University who announced that they would not fight except in a defensive war."

As the "New Yorker" remarks: "These are stirring thoughts, flaming thoughts, but we have an idea that everyone can stop feeding the fire very soon now. It will burn quite nicely by itself."

* * *

Powerful Pens

Two of the most powerful pens in American journalism are those of Walter Lippmann and Dorothy Thompson, who is the wife of Sinclair Lewis. Last spring when Mr. Lippmann came to tea on the terrace of the House of Commons he listened with wide innocent eyes to all that we had to say. He speaks slowly and quietly, and believes that one learns more by listening than by talking. In his syndicated column he refuses to indulge in journalese or the too facile metaphor which is the joy and the bane of modern newspaper writing. He composes his thoughts with a sense of responsibility and clothes them in dignity and clarity. Mr. Lippmann does not see in us a race of angels, but he thinks we are civilized and that the Nazis are barbarian. On balance, he contends that our extinction would be bad for civilization, whereas the disappearance of the Nazis would be first class. His calm, perfectly reasoned denunciation of Colonel Lindbergh was the most crushing of all the reactions to that gentleman's flight into the political sphere.

Dorothy Thompson is not at all austere. She is a female tempest and her pen is driven on the wings of emotion. Her hatred of Nazi tyranny knows no bounds and her intellectual contempt for Hitler's dupes exhausts the vocabulary of denunciation. She was expelled from Germany for excessive frankness. When the German Bund held a sort of indoor Nuremberg rally in New York she was thrown out for laughing at the wrong moment. Despite her spiritual impetuosity Miss Thompson has a keen political instinct and an extraordinary insight into the complicated maze of world events.

Walter Lippmann and Dorothy Thompson command an enormous public in America. I hope they will keep their health and live a long time.

* * *

Builds Anglo-U.S. Amity

One of the best influences in Anglo-American relations is Lord Tweedsmuir. His trips across the border have always delighted the citizens of the Republic. A recent letter from his young son, Alastair, shows how the war is affecting the Buchan family. He tells me that he has joined the Foot Guards at Ottawa and is for the time acting as A.D.C. to his father. His brother has also joined up and they are both wondering when they will get overseas.

Training in Ottawa in the winter is a fairly robust experience. The valley in which the city is set invites the snow in deep abundance and it can be very cold. But there is often a glorious sunlight.

Lord Tweedsmuir carries on, but he will not prolong his term as Governor-General in spite of many entreaties.

* * *

French Finance Chief

No visitor to these misty shores could be more welcome than M. Paul Reynaud. His partnership with M. Daladier has been most successful. Both are men of great force of character, and both have a clear understanding of the latent strength which is always in the sinews of the French nation. M. Reynaud does not bend with the breeze. During the Abyssinian affair he was openly for supporting the League against Italy when the opposite view was dominating both the Quai d'Orsay and the public. When he took on the task of Finance Minister a few months ago he called for sacrifices which might well have brought down a minister of lesser calibre. But once more France responded to courageous leadership, as she has always done, whether it be the leadership of a Napoleon, a Clemenceau, a Foch, a Gamelin, a Daladier, or a Reynaud.

M. Reynaud had valuable and sympathetic talks with Sir John Simon recently. Sir John speaks good French but lacks the sonorousness to give it a Gallic character. Mr. Reynaud speaks even better English and caresses our language most charmingly. One of the points of discussion was undoubtedly the problem of maintaining trade. Because France must needs concentrate overwhelmingly on her army, the immense mobilization means a serious disruption in her economic life. I think it safe to assume that the question of increasing the available French exports to Britain was discussed with the utmost amity.

WALTER LIPPMANN

M. Reynaud would also like a closer entente of the air with us. He would like more of our programmes to be broadcast to French listeners and more of theirs to be heard here. This is such an excellent idea that it will no doubt be found impracticable. Personally I enjoy those dual programmes where items alternate between the French studios and our own. I am afraid, though, that we have nothing to give in exchange so good as their broadcasts from the Opéra-Comique.

By the way, where are our opera singers? In the last war Sir Thomas Beecham's opera in English at Drury Lane was a joy. It reminded us when we came home on leave that civilization was still alive.

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Canadian Rye Whisky Exports Aided By War

From Our Own Correspondent

OTTAWA.—Statistics of the Department of National Revenue indicate that one of the indirect results of the war has been to enable Canadian rye whisky to supplant Scotch whisky in the United States market.

Since the beginning of September, when hostilities opened, exports of Canadian rye in bottles to the neighboring republic have jumped 44% over the corresponding period a year ago. The volume of bottled rye exports is said to be running at the present time in excess of 200,000 proof gallons a month.

The theory which explains the increase, according to departmental officials, is that United States whisky consumers prepared to pay the price of an imported liquor turned to Canadian rye when the war opened. This was because of a scarcity of imported Scotch whisky that was either real at the time or anticipated for the future.

As a result of the switch, which is indicated by rising export figures to be continuing, although Scotch whisky is still available in quantity in the States, one brand of Canadian rye is now reported to customs sources to be outselling the leading brand of Scotch whisky in the American market by two to one.

March of Canada

Epic Film of Canada's Evolution Proposed by British Journalist

By BEVERLEY BAXTER, M.P.
(From The Glasgow Evening News)

The lesson of the film "The Lion Has Wings" should be studied carefully by the Government and its advisers.

When our young heroes of the R.A.F. took off for their epic exploit against Kiel, there was someone with a sufficient sense of history to have them photographed by the cinema-camera. A film was taken of the departure and the arrival.

Someone else had the idea of making it into a propaganda film. As a "short" it would find a welcome on the screens of the civilized world.

They did not give the job to a civil servant or a retired admiral, or even a director of the British Museum. They gave it to Alexander Korda.

Now the picture is showing in London and is a smash hit.

Story of Canada

Recently I was reading an article in the "Sunday Times" by a Canadian journalist. The story that he told would make a magnificent film.

The picture could begin with the declaration of peace in 1918. The young Dominion had found her nationhood in the ordeal by fire. With only eight million inhabitants she raised just under 600,000 soldiers. While that constant human stream flowed to Europe for four long, tragic years, Canada had 675 factories turning out munitions. Some 2,500 airplanes and hundreds of ships were built to aid the Allied cause.

The picture could open with someone telling these facts while flashbacks of Canada's participation in the war would picturize the tale.

Era of Peace

When that was over we would see Canada beginning the new era of peace. Fortunate among nations, she did not have to talk of breathing space or lack of horizon.

The airplane had arrived. While European nations were turning out bombers to hurl death and blackmail from the skies, the Canadians were finding in the flying machine the means to harness resources of the northland.

Small as her population is, the Canadian air lines have carried more freight than those of any other nation. Not only did they service the lonely mines and hamlets in the north, but they spread their wings over undeveloped forests, plains and rocky areas.

Is there nothing filmable in all this?

In my opinion it cries out for the camera—even if we have to send Korda out to hover out the Rockies in a helicopter.

When the shadow of Europe fell on the new world, in French Canada there were murmurings that Canada had her own destiny to follow. Out in the West there were men of every race in Europe who had come away from the wars and feuds of the old world. The problem was a difficult one.

And then something happened that went deep into the consciousness of the whole Dominion. The King and Queen came from across the ocean. They landed in Quebec, the capital of French Canada.

I need not recall the welcome that the French Canadians gave to them, nor describe how men, women and children of every race and creed journeyed across the prairies, lakes and mountains to stand in joyful and humble tribute to their King and Queen.

At War Again

I was in Canada when war was at last regarded as inevitable. I shall never forget the sense of power and encouragement that surged from every side.

Britain was at war, but Canada was not, except legally. The Canadian Parliament met to consider what it should do. There were voices that argued for neutrality; others were for complete participation.

Then up rose Mr. Ernest Lapointe, the greatest French Canadian since Laurier. With the passionate eloquence of his race and with sweeping, majestic language, he called on Canada to take her place with all her strength and all her purpose beside the Mother Country.

"God Bless Canada"

He spoke like one inspired, and when he ended with a cry of "God bless Canada! God bless the King! God bless the Queen!" his hearers were moved by an emotion that no one sought to conceal.

I urge the authorities to consider that story as the first of a series of films on "The Empire Answers." It is only one of ten stories that will set the blood tingling and make the heart beat faster. It would come as an inspiration for the future and a reproach to our forgetfulness in the past.

ON CAN. BRONZE BOARD

From Our Own Correspondent

MONTREAL.—A. H. Elder, K.C., has been elected a director of Canadian Bronze Co. to replace the late Sir Charles B. Gordon.

"IT CAN'T BE HELPED..
YOUR HUSBAND LEFT NO WILL"

If her husband had taken a few minutes to talk to one of our Trust Officers — to see his legal adviser — if he had only been far-sighted enough to prepare for what to him seemed so improbable . . .

The way to apportion your estate and provide justly for your dependents is not by wishing, but by acting. Your legal adviser and the Crown Trust Company are ready and anxious to help you. If you haven't drawn a will — or if it is out of date — give it consideration today.

ASK FOR OUR LITERATURE

Crown Trust Company

Executors :: Trustees :: Financial Agents

MONTREAL TORONTO

Revenue of Soo Line Continues to Improve

From Our Own Correspondent

MONTREAL. — Minneapolis, St. Paul and Sault Ste. Marie Railway had total revenue of $1,646,233 in October against $1,389,465 in the same month last year. After deducting expenses and allowing for other adjustments, there was a balance before interest on bonds of $280,574, compared with $219,070 for the same month last year.

For the 10 months ended Oct. 31, the company reports a balance before interest on bonds, etc., of $818,969, as against a deficit of $5,551 in the corresponding 1938 period.

Montreal Aircraft Ind. Hopes to Get Orders

From Our Own Correspondent

MONTREAL.—Montreal Aircraft Industries expects to share in any airplane orders placed in Canada by the British and Canadian Governments.

No manufacturing operations have been carried on by the company for several years, part of its plant at St. Laurent, near Montreal, being leased to Noorduyn Aviation Ltd. However, it is reported to be in a position to resume operations on short notice. The company owns and operates a flying school and airport at St. Laurent.

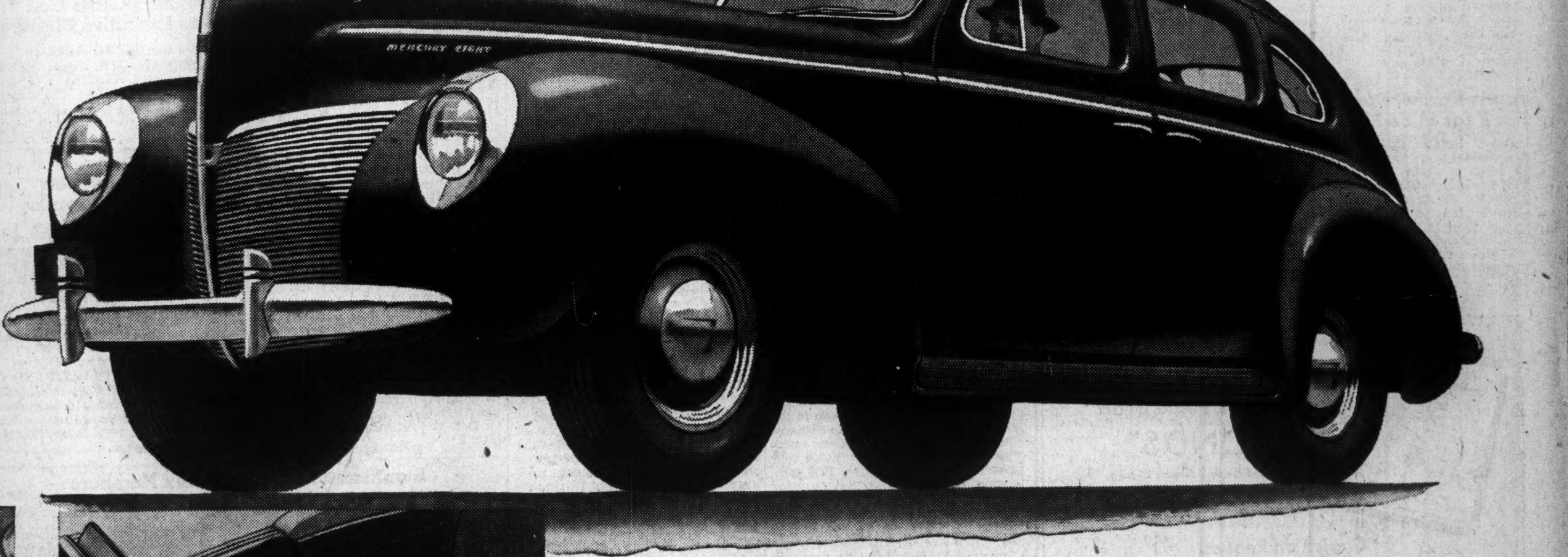
Going Places!

Minute the Mercury 8 was introduced, it started *going* places! In a few months, it won a position among the top eight in Canadian sales—to set a record unchallenged in modern automotive history.

Find out why! Ask any Mercury owner—better still, try out this sleek, big "eight" yourself. The minute you take the wheel, you'll want to *go places,* too! Feel how this steadfast, stable cruiser "hugs" the highway like a much heavier car. Yet this big, nimble beauty is child's-play to handle—with a hundred surging horsepower alert to your whim. It's a thrilling, heart-warming experience, your first "trick" at the Mercury wheel!

Then you'll know why the Mercury is *the outstanding buy in any price class!* More downright riding comfort—more brilliant performance and as a *bonus,* fuel economy surprising in *any* car!

A few of the new refinements for 1940 are . . . Finger-tip Gearshift on steering column . . . new Controlled Ventilation . . . new Sealed-Beam Headlamps. See your Ford Dealer — today!



LIVING ROOM ON WHEELS. Mercury Sedan interiors have the spacious, comfortable luxury of a modern living room. Smooth body lines curve out over running boards to give extra width inside. Deep, wide "floating edge" cushions seat six adults with ease. Striking new interiors in blue and silver tones, and rich, finely-tailored upholstery add a clinching touch of excellence. No need to take our word for it. See this car, get into it, check its every luxurious feature.

COMMAND OF THE ROAD. Get the feel of the wheel of a Mercury 8! Promptly you've a sense of power . . . you're the boss of the highway . . . with a tremendously-alive automobile to do your smallest bidding. Feel it glide from a standing start . . . spring to action at the touch of a toe . . . come to an instant, effortless stop at a slight pressure of the big Hydraulic Brakes. Here's a car you'll drive for fun! Club Convertible (illustrated) has automatic control to raise and lower the top.

MERCURY 8

MERCURY CARS ARE MADE IN CANADA

88,000 Canadian workers and dependants, 14,000 Canadian shareholders benefit because Mercury cars are made in this country. *When You Buy a Mercury More of Your Money Stays in Canada.*

Investment Trends

Stocks Seen Moving In Buying Range

Chicago Business Executives Divided on Point But Opinion Seems Leaning Toward This Belief—Bank Studies Price Control Measures

A Canadian businessman recently in Chicago, had an opportunity to discuss business and investment matters with a number of prominent executives in that city. One man, an executive of one of the largest merchandising organizations, says that he does not feel confident regarding the immediate outlook for business, partly because of uneasiness regarding the present U. S. administration and the policies being carried out. His advice to companies with which he is connected is to keep a fair amount of cash, or short term bonds, on hand.

Other men, directly interested in the investment business or banking, believe that the stock market is now in an attractive buying range so far as values are concerned, although admitting that somewhat lower levels may yet be seen. Foreign selling of securities in the United States is apparently a factor, not so much because of the volume of sales, as because it becomes strongest whenever prices are rising, thus preventing any general feeling of optimism.

All men interviewed placed considerable emphasis on the disturbing effect of the political situation prevailing in the United States, with a presidential election coming next year.

* * *

Controlling Foreign Selling

Apparently this factor of foreign selling of securities in the American market has become of sufficient importance to bring talk of some measures to control it from the United States end. One suggestion is the formation of a liquidating corporation to take over British and perhaps Canadian holdings of American securities for gradual disposal. Such a company might even be used to borrow in the United States, if formed under Canadian laws, so as not to run foul of the Neutrality Act.

Liquidation from other countries is also said to have increased at times. French holders of American securities have an amnesty on undeclared investments abroad until early next year and in some cases are taking advantage of this to dispose of their holdings.

American opinion also seems to hint that the sharp depreciation in the pound sterling and other European currencies gives an added incentive to residents of those countries to liquidate their American holdings. The price received, in terms of their own currencies, is substantially higher than if the present exchange rate did not prevail.

* * *

Forecasts Higher Prices

The Royal Bank of Canada discusses prices in its latest letter. It admits that the actual outbreak of war was followed by a period of sharply fluctuating prices. This condition, it states, was partly due to more or less transitory developments, the influence of which is likely to diminish, and in part by a shift from a peace to a war economy. When depleted inventories were built up and it became apparent that the authorities were not in any hurry toward government contracts and orders on an extensive basis, price rise slowed down and even declines were seen in some commodities.

Regarding the outlook, the bank says:

> "Should the present conflict develop into a war of long duration, many heavy and pressing demands upon existing supplies of essential materials will ensue; in some instances, production may be stepped up to meet the increased requirements. In other words, the accustomed utilization may be curtailed or met by the substitution of other materials. Under such circumstances, some advances in prices must be expected, but with adequate measures for regulation and control, instituted by the government without any appreciable delay after the actual outbreak of hostilities, the upward trend will proceed in a much more orderly manner than would otherwise have been experienced and intermediate gyrations will be reduced to a minimum."

Fanny Farmer Payments For Year to be $1.75

Fanny Farmer Candy Shops Inc. has declared an extra dividend of 25 cents a share on its stock in U.S. funds, payable with the regular quarterly dividend of 37½ cents a share on Dec. 20, to shareholders of record Dec. 15. After this payment total dividends paid during the year will amount to $1.75 a share. Similar payments were made in 1938 and 1937.

CANADIAN
INDUSTRIAL & PUBLIC UTILITY
BONDS

A New and Ready Reference Dealing with the Important Features of Canadian Industrial & Public Utility Bonds

Copies on Request

Containing a compilation of all Canadian industrial and public utility bonds, our new booklet sets forth in handy reference form:

- ● Details of each issue, showing the amount outstanding, interest rates, maturities, and interest payment dates.
- ● Full details of each issue's call prices, call date, notice requirements and other important features pertaining to redemption.
- ● Currencies in which principal and interest are payable.
- ● A 10 year record of called bonds with redemption prices, dates, and details of issues replacing bonds redeemed.

Informative, comprehensive and convenient, this new booklet will prove invaluable to investors, traders, and dealers in Canadian bonds. Copies will be furnished on request.

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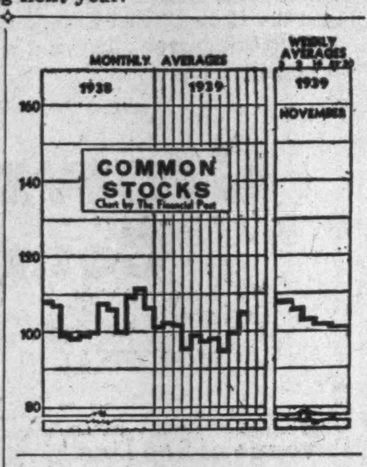


Amer. Cyanamid Pays $1 Special

New Series of 5% Preference Created to Pay Dividend

American Cyanamid Co. has declared a special dividend of $1 a share, payable in U. S. funds on its classes A and B stocks on Dec. 15, 1939, to shareholders of record Dec. 1. This special dividend is payable in 5% cumulative convertible preferred stock, par value $10, second series. The preferred stock will be issued on the basis of one new preferred share for each ten class A or B shares held. No script or fractional shares representing the 5% cumulative convertible preferred stock will be issued and any fractions will be paid in cash.

The 5% preferred stock outstanding on Dec. 14 of this year has been designated—"5% cumulative convertible preferred stock, first series."

In addition to this special dividend, the company is paying the regular cash dividend of 15 cents a share in U. S. funds on the A and B stock on Jan. 2, 1940, to shareholders of record Dec. 15, 1939. The regular 12½ cents a share dividend on the preferred will also be paid on Jan. 2.

Canada Malting Exports Gain Since War's Start

Profits of Canada Malting Co. for the first 10 months of this year were approximately equal to the same period of 1938, according to current reports. Both domestic and export sales have increased. Opening of market in the United States and South America since the outbreak of war because of interruption to normal sources of supply, has improved prospects for the balance of the company's year. It is expected that profits for this year will at least equal those of 1938, when $2.49 a share was earned.

Hamilton Cotton Pays 50 Cents on Arrears

Hamilton Cotton Co. has declared a dividend of 50 cents on arrears of its $2 cumulative preferred stock, payable Jan. 2, 1940 to shareholders of record Dec. 15.

Payment of this amount will reduce arrears on the stock at the end of the year to $5.50 a share. Quarterly dividends on the preferred stock were resumed with the payment of 50 cents a share on April 1, 1935, and have been paid regularly since.

Acadia Sugar Acquires Half Atlantic Stock

General Mortgage Bonds Offered — Fixed Assets Written Up Sharply

From Our Own Correspondent

MONTREAL.—Acadia Sugar Refining Co., a new Ontario incorporation which recently acquired the Nova Scotia company of the same name, has purchased a substantial block of common shares of Atlantic Sugar Refineries Ltd., which operates a sugar refinery at Saint John, N.B.

No official connection between the two companies is disclosed by the prospectus offering $2,250,000 of 6% general mortgage bonds of the new Acadia Sugar Refining Co. However, the pro-forma balance sheet contained in the prospectus carries "other investments as defined in the general mortgage trust deed" at $4,150,000. The Financial Post is informed that $4 millions of this represents about 50% of the outstanding common stock of Atlantic Sugar Refineries.

The general mortgage bonds are being offered by Gardiner, Wardrop & Co., Toronto investment firm, at 100 and accrued interest. Proceeds of the issue do not go to the company inasmuch as the bonds are already outstanding.

Capital Increased

Outstanding capital of the new company consists of $1,364,000 of 4½% first mortgage bonds, $2,250,000 of 6% general mortgage bonds, 300,000 no par value Class "A" shares and 100,000 no par value common shares.

Outstanding capital of the old Acadia Sugar Company on Dec. 31 last was $1,407,500 of first mortgage bonds, $1.5 million of 6% preference stock and $1.5 million of common stock, par value $5 a share.

Sale-price of the 300,000 Class "A" shares and 100,000 common shares of the new company is shown at $4.9 millions. Of this amount, $735,000 has been earmarked as distributable surplus. Book value of the 300,000 Class "A" shares is $4,080,000 and of the 100,000 common shares, $85,000.

Fixed Assets Written Up

Goodwill, carried by the old company at $800,000, has been written down to $1. At the same time the value of fixed assets has been written up. Fixed assets as valued by the Canadian Appraisal Co. as at Oct. 7, 1939, are carried in the pro forma balance sheet at $4,976,925. The balance sheet of the old company at the end of 1938 carried fixed assets at $4,514,713. Depreciation reserve has been reduced from $2,673,572 to $1,219,599. Thus, depreciated value of fixed assets has been increased from $1,841,141 to $3,757,326.

Capital surplus of $1,492,473 shown in the balance sheet of the new company is accounted for by the write-up in fixed assets.

Working Capital Up

Working capital is shown at $1,991,430. This compares with $1,837,136 at the end of 1938.

Cash is up sharply from $54,838 to $756,198. Accounts payable stand at $405,551 as against $229,797. Investments at cost are shown at $897,245. Inventories are shown at the lowest level in many years, being carried at $312,565. This compares with $1,014,746 at the end of 1938.

Earnings Rise

Net earnings before depreciation, bond interest and discount, and income taxes in the first nine months of this year were higher than for the entire 12 months of 1938. Net earnings after depreciation but before bond interest and income taxes amounted to $423,073 in the nine months ended Sept. 30. This compares with $362,053 in the whole of 1938.

The Class "A" shares carry a non-cumulative preferred dividend of $2 a share. After $2 has been paid on the Class "A" shares the common stock is entitled to receive $1.50 a share. Thereafter, the Class "A" and common shares rank equally on a per share basis.

Voting control is held by the common shares. The Class "A" shares are non-voting, except in statutory proceedings and when no dividends have been paid for two consecutive years.

Investment Notes

Loblaw Groceterias, Inc.—Shares of this company, operating 104 stores in New York and Pennsylvania, have come in for some attention lately. C. C. Fields & Co. estimate that steady growth in sales "would permit earnings of close to $1 a share" in recommending purchase of the shares. Plaxton, Cherry & Co., Toronto, state that "during the past year, fruit and vegetable departments were added to some of the stores, and with the opening of new units, the sales volume to date this year shows an increase over the similar 1938 period."

* * *

Asbestos Corp.—Greater mine activity for this company is seen in the Government's report that in September 38,124 tons of asbestos were produced. This was nearly 10,000 tons greater than in October, 1938, and almost on a par with that reported for 1937.

* * *

Algoma Steel—Production of iron ore from the Helen Mine for the three months ended Oct. 31, 1939, was 36,550 tons of ore, valued at $109,285, according to Ontario Department of Mines figures. This mine is the only producing iron mine in Ontario and started work last summer.

Leave to Appeal Alberta Tobacco Ruling Granted

From Our Own Correspondent

EDMONTON. — Alberta courts have granted leave to appeal against Mr. Justice Ewing's dismissal of motion to quash combine charges against 42 defendant tobacco firms. Appeal argument is to be heard on Dec. 11.

Meantime, application for hearing of a motion asking for further particulars of combine charges has been adjourned to Dec. 9, awaiting the judgment on the appeal request which has now been given. Until the motion to quash is finally settled, it is unlikely that the motion for particulars will be heard.

Market Opinions

Opinion among U. S. stock market students inclines to belief the current reaction in stock prices has about run its course.

Barron's (The Dow Theorist)—"Since the primary trend is up under the Dow Theory, and nothing in the averages at present suggests a change in that trend, long term traders who act on Dow's and Hamilton's principles are, in general, holding their bull positions, while short term traders are beginning to look for buying rather than selling opportunities."

* * *

Brookmire Counsellor, New York.—"Market reactions are of a temporary nature, as long as underlying forces hold promise of further recovery, as in the present period. Further irregularity, therefore, should be looked upon not as an occasion for undue caution, but an opportunity to use any available new cash and add to favorable dynamic issues. Clients should favor such groups as have had a considerable "correction" of the previous rise, including aircraft, steel, railway equipment, as well as the railroads themselves."

* * *

Barron's, New York (The Trader).—"Decline in business buying and the myriad new factors involved in the present-day Allied war economy technique, help to explain the strange apathy of speculative capital toward current business conditions. Of itself, however, it does not necessarily forecast hard times. To a breathing spell, rather than a serious selling movement, do the signals still point."

* * *

The Annalist, New York.—"The market still presents a marked contrast to business. Fourth-quarter earnings are certain to make a very favorable appearance. Yet stock prices are declining. The market may be discounting peace, or may be basing its decline on the theory that a very severe reaction from the recent inventory buying movement is likely to set in soon."

* * *

Magazine of Wall Street, N.Y.—"Weighing the pros and cons, our own decision is to continue giving the bearish market the benefit of the doubt until the bearish evidence becomes more conclusive. We favor holding investment position, and holding speculative positions subject to stop-loss protection just under recent lows."

See U. S. Branch Plants Establishing In Canada

Possibility that British industrialists may establish branch plants in Canada is seen in well informed circles as a stimulus to American manufacturers to do the same thing. They could thus meet the British competition on more equal terms.

Further inducement to United States manufacturers to do so is in the recent change in the Foreign Exchange Control regulations permitting non-residents making investments in Canada for the establishment of plants here, to secure foreign exchange for their Canadian investment in case of liquidation.

This obviously removes the feeling formerly in the minds of many moneyed Americans that if they invested any capital here, it would be frozen and could only be liquidated in Canadian funds.

It is also pointed out in this connection that holders of Canadian debts payable in a foreign currency may obtain payment in foreign exchange.

Non-resident owners of a bank account in Canada may also transfer Canadian dollar balances to another non-resident or to a resident or may withdraw them in Canadian dollars. They may also take securities out of the country under license if desired.

In view of these conditions it is felt that United States citizens risk little by making an investment in Canada.

Page-Hersey Pays 50c Extra

Bonus Also Given to Employees — Payments Indicate Better Earnings

An extra dividend of 50 cents a share has been declared by Page-Hersey Tubes, Ltd., along with the regular quarterly payment of $1 a share, both payable Jan. 2, 1940, to shareholders of record Dec. 15.

Directors have also authorized a Christmas bonus to employees, amount received by each worker to be based on merit and years of service. The company raised wages generally in September and estimates that the higher wage scale and the wage bonus will approximately equal the bonus to be paid to shareholders.

Declaration of the latest bonus brings dividends to $4.50 a share for 1939, highest level reached since 1931 when $5 a share was paid. In 1932 the company reduced its dividend to $4 a share and later to $3. Since then gradual changes have been made and last year $4 a share was paid.

Indications are that earnings for 1939 will show some improvement over those for 1938 when $4.23 a share was reported. How much the gain will be cannot be foretold yet but statements issued along with dividend cheques during the year support the idea of somewhat higher earnings.

The company has started to test its new continuous tube mill and by the end of the year will have an accurate idea of what performance can be expected.

Canadian Cons. Felt Recording Better Year

From Our Own Correspondent

MONTREAL.—Canadian Consolidated Felt Co.'s financial statement for 1939 is expected to make better reading than the one for 1938, when the company had a net deficit after depreciation of $29,423. Working capital position is being reserved by the installation of new equipment in the felt-processing plant, just completed, is expected to bring about lower operating costs.

The capital set-up of the company will undergo a change next year when the balance of the 6% first mortgage bonds, amounting to $110,500, will be retired on April 1. This will leave public interest in the company confined to the 7% preferred stock on which no dividends have been paid since June 30, 1930. Practically all of the common stock is owned by the Dominion Rubber Co.

Montreal Stock Trades Easier for Past Month

From Our Own Correspondent

MONTREAL.—Trading of industrial shares on the Montreal Stock Exchange and the Montreal Curb Market during November decreased sharply, while mining stock turnover was slightly better. During the past month 600,670 industrial shares were traded, as against 1,247,232 shares in October. Volume in the mining section amounted to 1,113,652 shares, as against 958,804 shares in the previous month.

Bassett Joins Board Dominion Glass Co.

From Our Own Correspondent

MONTREAL.—T. W. Bassett, general manager of Dominion Glass Co., has been elected a director and vice-president. He managed plants for the company at Montreal and Wallaceburg prior to his appointment as assistant general manager in 1935. Mr. Bassett became general manager in 1937.

SUPERTEST EXTRA

Supertest Petroleum Corp. has declared a bonus of 50 cents a share on its common and ordinary stock, to be paid along with the regular semi-annual payment of the same amount on Jan. 2, 1940, to shareholders of record Dec. 15. The last previous extra paid by the company was 25 cents a share on Jan. 3, 1939.

Wpg. Electric Wipes Out Loan

Balance Sheet Changes to Sept. 30 Set Out in Bond Circular

From Our Own Correspondent

MONTREAL.—Liquidation of a special bank loan of $700,000 shown in Winnipeg Electric Co.'s balance sheet as at Dec. 31 is indicated in the balance sheet incorporated in the prospectus covering the current financing.

Other changes noted since the beginning of the year follow:

Outstanding contingent certificates have been reduced from $1,756,164 to $1,727,990.

Segregate Fixed Assets

Fixed assets shown in the 1930 annual statement of $76.5 millions have been segregated, property has been put down at $73 millions and the balance in investments.

Cash declined during the nine months' period from $1,240,030 to $818,377. On the other hand, call loans increased from $200,000 to $300,000.

Louisiana Land Cuts Dividend on Common

From Our Own Correspondent

MONTREAL.—Louisiana Land & Exploration Co. has declared a dividend of 5 cents a share which, with the disbursement of 10 cents a share made in the three preceding quarters, brings total payment this year to 35 cents, as against 45 cents in 1938. The latter included an extra of 10 cents. In 1937 and 1936, payments totalled 50 cents a share, which also included extras of 10 cents each year.

Loew's London to Pay 35 Cents on Arrears

Loew's London Theatres Ltd. has declared a dividend of 35 cents a share on the 7% preferred stock, of $10 par value, payable Dec. 15, to shareholders of record Dec. 11. The last previous payment amounted to 17½ cents a share and was paid on June 1, 1939. After taking the present payment into consideration arrears on the stock total 31½%, being paid up to June 30, 1935.

International Paints Cut Down Arrears

From Our Own Correspondent

MONTREAL.—International Paints (Canada) has declared the regular dividend of 5% for the 12 months ended Sept. 30, 1939, and an additional dividend on account of arrears of 1¼%, or 25c. a share, on the new 5% cumulative participational preferred stock of the company. Both dividends are payable on Dec. 21 to shareholders of record Dec. 9.

Algoma Steel Doubles Mill

To Spend $1 Million in Additions to New Tin Plate Mill

Algoma Steel Corp. has completed plans for doubling the capacity of its sheet metal and tin plate mill which was placed in operation only this year, according to an announcement by Sir James Dunn, president.

Present capacity of the mill is about 30,000 tons of tin plate annually and it was built at a cost of about $2 millions. New construction will extend over a period of about six months and the company's own staff will be used. Contracts for the new machinery required have already been let.

The addition to the plant is estimated to cost about $1 million but it is stated that no new financing will be required.

When the original tin plate mill was built, foundations were put in for a substantial increase in capacity and this is now to be used. Algoma Steel uses the hot reducing method of making tin plate and it is stated that the same method will be employed in the new mill. Completion of the new unit will give Algoma Steel a potential tin plate capacity of approximately one half of the total Canadian demand for this product.

Demand Exceeds Supply

It is said that Algoma Steel was influenced to a decision to extend its sheet mill and tin plate plant by the fact that Canada still imports about 100,000 tons of steel sheets annually, and around 50,000 tons of tin plate. With the demand in excess of the domestic supply, company directors were persuaded to take advantage of the opportunity.

It appears the Algoma Steel had alternative plans for expanding its plant. One idea was to go into the manufacture of strips and coils but this was abandoned when it became evident that it would be necessary to import large quantities of materials. According to Sir James Dunn, coal is the only important raw material that the company has to import at the present time. It is also said that decision of Steel Co. of Canada to defer erection of a strip mill, which was to include a tin plate mill, had some influence on the steps taken now by Algoma to expand its plant.

Algoma Steel signed a contract in Dec., 1937, with Continental Can Co. whereby Algoma Steel was to supply up to 75% of Continental's requirements of tin plate in Canada for five years beginning with the 1939 season. The result was the construction of the present tin plate mill which started work in time to deliver on the contract for the season just closed. This contract did not originally require all of the productive capacity of the existing mill but left a small portion available for other sale.

Canada & Dominion Pays Extra Dividend

Canada & Dominion Sugar Co. has paid an extra dividend of 25 cents on its common stock on Dec. 1 to holders of record Nov. 15. Dividends are being paid on the stock at the regular annual rate of $1.50. The extra is believed to reflect the better price situation in the sugar industry and the accelerated demand brought about by war.

Catelli Food Products Declares Extra Dividend

From Our Own Correspondent

MONTREAL.—Catelli Food Products Ltd. has declared an extra dividend of 25 cents a share on the common stock. This is in addition to the regular semi-annual payment of 25 cents. Both dividends are payable Nov. 30 to holders of record Nov. 20. This brings total payment for 1939 to 75 cents a share, against 50 cents a share in 1938 and 1937.

Consumers Glass Co. Makes Executive Change

From Our Own Correspondent

MONTREAL.—J. A. Kilpatrick has been appointed chairman of the board of directors of Consumers Glass Co. G. Ford Jones, sales manager, has been elected to the board of directors replacing the late Frank P. Jones.

United Steel Expects Improved 1939 Results

United Steel Corporation expects that earnings for 1939 will show an increase over those for 1938 when $4.40 a share was earned on the class A preferred, it is reported. Sales for the first ten months of this year were maintained just about on last year's level, but recent business has shown a tendency to improve.

NEON PRODUCTS DIVIDEND

Neon Products of Western Canada Limited has declared a dividend of 35 cents a share on its ordinary stock, payable Dec. 20, 1939, to shareholders of record Dec. 5.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-38:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	189.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1939:												
Jan.	129.4	16.9	79.1	173.5	52.9	172.9	126.9	133.3	57.5	85.2	42.7	102.9
Feb.	129.4	16.4	77.6	175.9	54.3	175.3	130.4	133.6	58.2	85.3	42.9	104.1
Mar.	126.6	15.1	79.8	173.9	57.2	172.5	127.6	132.9	62.0	85.1	44.4	103.7
Apr.	111.1	11.5	71.4	162.9	35.1	169.2	116.9	119.3	58.9	83.7	41.9	96.2
May	112.5	12.0	78.9	170.2	55.0	176.3	120.4	124.6	60.8	84.7	43.2	99.2
June	114.2	12.4	77.4	153.2	56.2	179.2	124.7	128.8	60.8	85.0	43.7	97.0
July	118.0	12.7	75.0	154.0	59.8	182.1	124.8	129.5	59.2	85.0	42.7	97.3
Aug.	108.6	11.1	76.0	147.9	60.1	180.5	117.7	121.6	56.8	84.3	40.9	94.2
Sept.	132.8	19.1	99.8	164.6	71.9	170.8	108.5	145.3	53.8	78.4	42.2	100.1
Oct.	149.1	23.4	106.3	185.9	81.4	178.8	121.4	160.9	59.5	81.0	45.7	106.0
Weekly Figures:												
Nov. 2 ..	149.1	25.0	106.2	187.6	83.6	179.0	128.3	162.1	60.5	83.2	45.8	107.8
Nov. 9 ..	146.5	23.9	103.3	184.2	82.6	172.1	126.6	161.1	60.4	83.5	45.4	105.9
Nov. 16 ..	139.3	22.7	96.2	169.9	82.8	174.7	125.5	156.1	59.2	84.0	44.4	102.9
Nov. 23 ..	136.3	21.4	96.9	168.8	83.1	175.9	129.3	152.1	58.7	84.9	44.0	102.0
Nov. 30 ..	137.1	21.1	101.9	167.9	83.1	173.2	128.4	150.9	59.4	85.0	44.3	101.5

*High and low for year from 1929 to 1938 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Dec. 5	123.13	117.20	84.86	29.35
Dec. 4	122.29	116.99	84.98	29.27
Dec. 2	122.89	115.91	85.07	29.13
Dec. 1	121.98	115.60	85.46	29.67
Nov. 30	120.86	115.13	84.94	29.66
Nov. 29	122.96	116.84	86.96	29.89
Month ago ..	125.97	115.34	90.79	32.98
Year ago	122.12	122.29	99.27	29.29
High, 1939 ...	129.85	128.95	104.12	45.00
Low, 1939	97.75	100.35	79.59	21.07

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Dec. 5	66.7	87.8	80.7	135.80	98.23
Dec. 4	67.0	86.6	80.1	130.21	97.87
Dec. 2	66.6	86.3	79.7	127.03	94.74
Dec. 1	66.7	86.1	79.6	126.45	97.50
Nov. 30	67.0	85.5	79.4	122.32	96.06
Nov 29	66.9	86.8	80.2	124.38	96.97
Month ago .	67.1	90.1	82.5	141.75	97.16
Year ago ..	65.6	82.2	76.7	113.41	121.93
High, 1939 .	70.1	93.8	84.9	155.52	126.48
Low, 1939 ..	55.9	63.2	62.7	50.76	86.66

In London, New York and Canada

During the past three months the record of Dominion of Canada Bonds has been impressive, both in the world's principal financial markets and within the Dominion.

Following the initial adjustment to war conditions, the advance in prices has evidenced confidence in the basic strength of Canada's economic and financial structure.

A wide selection of Canadian Bonds is offered in our December Bond list, copies of which are available upon request.

36 King St. West
Toronto
Telephone EL. 4321

Wood, Gundy & Company
Limited

Dominion Coal Output at Peak

From Our Own Correspondent

MONTREAL. — Dominion Coal Co.'s collieries established a new high November production record for at least 20 years, when they produced 414,468 tons of coal last month. Production almost doubles output for the same month last year, when 256,674 tons were mined. It fell short, however, by more than 1,000 tons of the all-time high mark, established during October, 1939, when 415,674 tons of coal were brought to the surface.

Ford Gets Ready To Sell Tractor

Director of Canadian Distribution of New Unit and Implements Appointed

Indication of early steps to launch distribution in Canada of the new Ford tractor and the allied Ferguson wheel-less farm implements, is seen in appointment by Ford Motor Co. of Canada of a new head of the tractor division of the sales department.

GORDON McCOLL

Gordon McColl, on the staff of the company in London, Ont., and Toronto for the past 20 years, has been transferred to head office to take charge of the sales group that will handle marketing of the new tractor and Ferguson hydraulic-control implements.

To date, no announcement has been made as to whether sales channels other than regular Ford dealers will be used for sales of tractor units, or whether manufacture of some of the parts and assembly of the units will be attempted in Canada. As tractors enter Canada duty free, it is thought likely the Ford units will be brought in complete from the Detroit plant, but the duties on farm implements have inspired speculation as to whether the implements or parts will be made at the Windsor factory of Ford of Canada.

Mr. McColl, the new tractor sales director, is a native of London, Ont., and joined the district sales force there in 1919. In 1928 he was advanced to be London branch manager, and was transferred to Toronto in the same capacity in 1930. He took charge of tractor sales at the Toronto branch in 1937, and also handled sales in this field while he was at London. He served overseas during the last war.

Perkins-Goodwin Sell Nipigon Pulp Output

From Our Own Correspondent

MONTREAL.—George S. Currie, receiver and manager of Lake Sulphite Co., announces officially that the 60-ton groundwood pulp mill of Nipigon Corp., a subsidiary company, has been leased for six months by English River Pulp and Paper Co. This was previously reported in The Financial Post.

All of the pulp is being sold by Perkins-Goodwin Co. of New York City.

Can. Northern Revenues Up

Further Expansion in Operations Reflected in Slight Gain in Gross Income

From Our Own Correspondent

MONTREAL.—Gross earnings of Canada Northern Power Corp. for October amounted to $442,777 as compared with $439,051 for October of last year. Net earnings of $223,445 compared with $236,952 for October, 1938.

For the ten months ended Oct. 31, gross earnings totalled $4,361,400 as against $4,244,166 for the comparative period of the previous year, and net earnings $2,224,464 compared with $2,285,849.

Power Output Greater

Power production in October was 64,327,584 kw.h., as against 60,353,113 kw.h. in October last year, while for the 10-month period total production amounted to 621,148,178 kw.h. as compared with 578,218,179 kw.h., an increase of 42,929,999 kw.h.

During October 347 new customers were added to the company's system, bringing the total as at the end of the month to 24,840, as against 21,965 at Oct. 31, 1938, an increase of 2,875.

Monthly Bank Clearings

	Nov., 1938 $	Nov., 1939 $
Halifax	10,915,131	13,319,426
Saint John	7,336,894	8,373,096
Moncton	3,369,470	3,685,725
Sherbrooke	3,291,337	3,462,600
Quebec	22,089,991	21,805,637
Montreal	546,457,368	433,459,163
Ottawa	86,744,959	98,081,049
Kingston	2,592,726	2,794,712
Peterborough	2,707,829	2,561,557
Toronto	544,776,828	480,191,512
Hamilton	21,022,360	26,544,577
Kitchener	5,046,436	5,242,770
Brantford	3,685,248	3,750,898
London	10,599,040	11,550,669
Chatham	2,853,765	2,948,981
Windsor	12,252,060	11,444,551
Sarnia	2,176,470	1,979,450
Sudbury	4,338,843	4,691,754
Fort William	3,171,465	3,503,857
Winnipeg	196,686,003	291,549,087
Brandon	1,587,010	1,591,384
Saskatoon	5,998,408	7,697,158
Prince Albert	1,421,768	1,861,606
Edmonton	17,735,750	20,172,106
Calgary	30,521,914	29,969,399
Lethbridge	3,065,273	3,311,897
Medicine Hat	1,228,247	1,255,148
N. W'minster	2,792,098	2,802,784
Vancouver	76,851,837	76,307,349
Victoria	7,263,558	7,593,585

PAYMENT OF INTEREST

Half year interest due on Mortgage Bonds Jan. 1st, 1940, will be paid to bondholders of record with the trustee, as of Nov. 21st, 1939, by cheque of the National Trust Company Limited, Montreal.

Insurance Exchange Corp.
Limited
276 St. James St.
Montreal
C. A. Ripley

DOWNTOWN TORONTO FACTORY LOCATION

Low Price for Quick Sale!

Desirable property (200 ft. x 135 ft. deep) facing three streets. Suitable for factory, warehouse, office or garage. Low price. Terms. Would consider building to buyer's specifications. Write Box 225, The Financial Post, Toronto.

Notice to Debenture Holders of the

TOWNSHIP OF SCARBOROUGH
ONTARIO

Notice is hereby given that a Plan of Adjustment of the Debenture Debt of the Township of Scarborough has been approved by the Council of the Township of Scarborough and the Department of Municipal Affairs of the Province of Ontario, and is being recommended to the Debenture holders for acceptance by the Debenture Holders' Protective Committee.

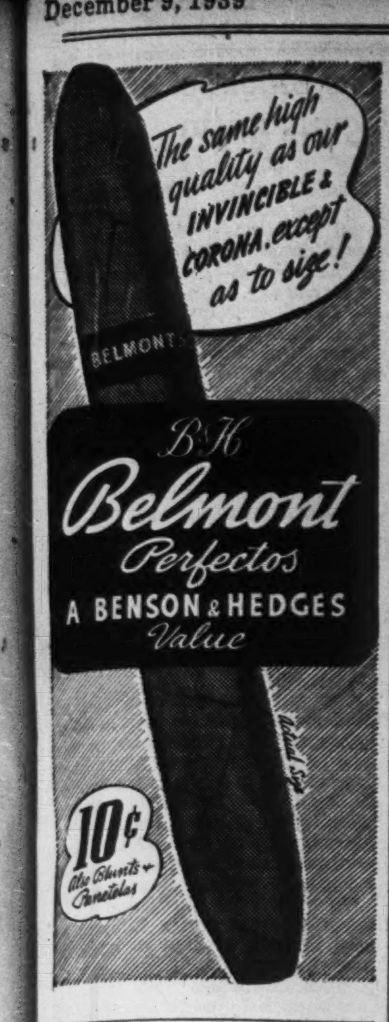
Since, to become effective, the Plan requires the approval of holders of at least two-thirds of the debt of the Township, the Committee desires to urge that it is important to all holders of the Township of Scarborough Debentures that they communicate with the Secretary to the Committee, N. D. Crisp, Esq., 80 King Street West, 19th Floor, Toronto, Ontario, in order to obtain details of the Plan affecting their securities together with the form of approval.

Notice to Debenture Holders of the

TOWNSHIP OF EAST YORK
Ontario

Notice is hereby given that a Plan of Adjustment of the Debenture Debt of the Township of East York has been approved by the Council of the Township of East York and the Department of Municipal Affairs of the Province of Ontario, and is being recommended by the Debenture Holders' Protective Committee to the debenture holders for acceptance.

Since, to become effective, the Plan requires the approval of holders of at least two-thirds of the debt of the Township, the Committee desires to urge that it is important to all holders of the Township of East York Debentures that they communicate with the Secretary to the Committee, (Miss) R. Martin, 80 King Street West, Toronto 2, Ontario, in order to obtain details of the Plan affecting their securities together with the form of approval and proxy.



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Manufacturers, Attention

AN ORGANIZATION IN SASKATCHEWAN that has successfully marketed Cash Registers, Scales, Mechanical Refrigeration and other Store Fixtures generally, over a period of years, is now open to represent manufacturer of high-class goods, on commission basis. References exchanged. Bond can be furnished. Box 227, The Financial Post, Toronto.

Agency Wanted

EXPERIENCED SALESMAN WITH excellent connections and wide acquaintances in Western Ontario desires agency for good stable products to sell business and professional men, stores, offices or industry. Apply C. W. Porter, Corunna, Ontario.

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YOUNG MAN WITH FINE RECORD seeks new connection. Wishes to contact brokerage firm that will use ability and knowledge to fullest extent thereby insuring good future. Expert on Stock Exchange floor trading and arbitrage. Capable office manager. Experience includes work with trust company and reputable bond house. Highest references. Box 217, The Financial Post, Toronto.

Maritimes Representative

EXPERIENCED SALES PRODUCER desires to contact financial house with a view to sales representation in the maritime provinces; possesses thorough knowledge of that field, where he resides and where he is well known and enjoys a wide acquaintance in business and club circles. Excellent references. Box 220, The Financial Post, Toronto.

Position Wanted

CERTIFIED GENERAL ACCOUNTANT, long experience in office routine and management, wants position with active industrial concern where future holds prospects for advancement. Veteran, 42 years of age, really well recommended. Willing to go anywhere in Eastern Canada. Write Box No. 186, The Financial Post, Toronto.

School Board Extends Option on Debentures

From Our Own Correspondent

MONTREAL.—L. G. Beaubien & Co., Montreal investment firm, has been granted an extension of two months on its option on Montreal Catholic School Commission bonds.

Of an issue of $4.9 millions of bonds and debentures of the Montreal Catholic School Commission placed on the market about four months ago, $3¼ millions have been sold to date. L. G. Beaubien & Co. expects to be able to dispose of the balance of the issue in the near future.

Bond Tenders

Dec. 7, Barrie, Ont.—$80,000, 4%, 15-year installment debentures.

8 p.m., Dec. 11, Granby, P.Q.—$90,000, 4%, dated Dec. 15, 1939, redeemable serially in 30 years. A. Montfils, sec.-treas.

2 p.m., Dec. 20, Corp. of Saint George Sanatorium, Mont - Joli, Que. — $100,000, 3½%, dated Apr. 1, 1939, maturing in series over a period of 20 years. G. H. de Champlain, sec.-treas.

5 p.m., Dec. 7, Kingston, Ont.—$76,779, as follows: $30,000 floating indebtedness, 3% dated Nov. 1, 1939, maturing serially 1940 to 1944; $27,000 storm sewers, 3½%, dated Nov. 1, 1939, maturing serially, 1940 to 1954; $6,800 storm sewers, 3½% maturing serially 1940 to 1954; $12,979, local improvement, 3½%, maturing 1940 to 1955. C. C. Wyatt, clerk-treas.

Dec. 12, Sydney, N.S. — $150,000, 4%, due serially Dec. 15, 1945 to 1954.

3 p.m., Dec. 11, Owen Sound, Ont.—3½% debentures as follows: $5,935 20-ins. due Dec. 16, 1940-1959 $3,265 10-ins., due Dec. 16, 1940-1949; $4,204, 10-ins., due Dec. 16, 1940-1949; $34,545 5-ins., due Dec. 16, 1940-1944; $5,050, 5-ins., due Dec. 16, 1940-1944. J. A. Milne, treas.

Dec. 15, Twp. of Pickering, Ont.—$11,000, 4%, 30-year serials.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Robt. Simpson ..	*5%	1952	Jan. 1 '40	105
Riordon Pulp ...	*6%	1942	Dec. 31	105
Eastern Car ...	‡6%	1952	Jan. 1	105
Preston E. Dome	6%	1943	Jan. 1	103
Can. Foundries ..	6%	1942	Feb. 2	110
Mississippi R. Pr.	†5%	1951	Jan. 1	105
Wpg. Elec.	°4½%	1960	Jan. 2	102½
Can. Crushed Stone	•6½%	1944	Dec. 31	...

Drawn by lot for sinking fund, †$151,500; ‡$35,000; °$86,300; •$19,400.
*All outstanding balance.

Foreign Exchange

During the week Nov. 28 to Dec. 4 there was no change in the quotation of the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Dec. 4

Australia .	3.58	Italy	.0560½
Belgium ..	.1836	N. Zealand	3.61
Denmark .	.2148	Norway	.2523
France ...	.0245½	S. Africa .	4.47
Holland ..	.5893½	Sweden	.2644
Hungary .	.1953¾	Hong Kong	.2891¾
India	.3352		

Bond Markets

Trading at Low Ebb In High-Grade Bonds

Flurry in Newsprint Issues Provides Only Feature of Dull Week—Finnish Outbreak Fails to Move Prices From Long-held Position

Changes in Canadian bond markets during the past week were of minor proportions As in the past few weeks trading was limited, with little incentive for buyers to come into the market.

The disposition of the market to hang on tenaciously was demonstrated by its relative calm in the face of alarming developments in the Finnish situation.

Investors are still waiting for more tangible signs of what high-grade prices are going to do in wartime. Of utmost importance to the future of these obligations is the interest and amount of the new Dominion issue.

Industrials, particularly newsprint liens experienced a minor flurry in the opening of the week, but no definite trend of prices was established.

The Dominion Bureau of Statistics index of Dominion long-term bonds index rose to 113.3 in the week ended Nov. 30, from 113.2 in the week ended Nov. 23. Dominion treasury bills yield weakened to 0.831% with the sale of a $25 million issue, dated Dec. 1. This compares with an average yield of 0.872% in the previous issue.

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Changing Bond Status

There was a surprising degree of unanimity on one point in the 120 submissions made to The Post investment contest. Bonds are not regarded as a cornerstone of a wartime investment policy. In fact, 24 of the 120 entrants ignored this old favorite investment medium.

As might be expected Dominion of Canada obligations were chosen the greatest number of times. There is little apprehension over the senior Government's credit position.

Purchase of short-term issues were recommended in the majority of cases. This would indicate that a rise of interest rates is expected by most investors during wartime and they feel it necessary to protect themselves against this event. Restriction to short-term bonds does not present any revolutionary development, as many private and institutional investors have been following this policy for many months prior to the outbreak of war.

• • •

Question Mark

Plans for Canada's first war loan are in the advanced stages and it is thought that investors might be given the opportunity of buying the bonds early in the new year.

Size of the issue and coupon it will carry are as yet purely conjecture, but it is quite certain that interest rates on the first issue will not resemble those of the Great War. The Dominion Government and investment bankers would doubtless like the issue to be priced at a level that will prove attractive enough to be immediately taken up, and at the same time provide the nation with money at a reasonable rate. Determination of that yield will have a distinct effect upon the bond market and indicate to investors Government policy in raising funds.

• • •

Stimulate Business?

The ultimate effect of a $200 million or $300 million loan is expected to be stimulation of business in Canada. If the money comes from the small investor it will, through the agency of government, be circuited from bank deposits into productive lines. Business will benefit from this shot in the arm, as the Government begins to purchase the necessities for its war efforts.

Some observers hold that expenditures of this amount for war purchase in Canada would not initiate any inflationary move. There remains a large part of the nation's productive capacity not yet utilized and expenditures at this rate will not be of sufficient magnitude to impose any great strain on industry. Nor would it appear necessary to broaden the currency base to any serious degree to make the purchases possible.

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November Financing Low

Government and municipal bond financing in Canada fell to the lowest level for five years during November, according to Wood, Gundy & Co.

Total bond financing, however, during the 11 months was the highest for this period in five years. It totalled $565.9 millions, compared with $415.9 millions in the same period last year. This total includes $200 millions of Dominion of Canada two-year 2% notes, sold in October.

New corporation issues sold during the year amounted to $241.7 millions, which in the five-year comparison is second to the same period in 1936, when $248.7 millions were issued. New money accounted for only 10.3% of the former sum.

Comparative figures for bond financing to Nov. 30 in 1939 and 1938 are as follows:

	1939 $	1938 $
Govt. & Munic.:		
Dom. dir. & gtd...	404,500,000	278,491,668
Prov. dir. & gtd...	135,808,500	113,392,000
Ont. munic.	7,926,836	5,457,833
Que. & Mar. munic.	17,396,650	16,831,100
West. munic.	225,100	1,722,491
	565,857,086	415,895,090
Dom. Treas. Bills	570,000,000	570,000,000
Corporation:		
Public utility	171,391,000	21,450,000
Railway	6,500,000	19,480,000
Ind. & misc.	63,761,900	27,604,500
	241,652,900	68,534,500

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Bond Statistics

Nesbitt, Thomson & Co. has prepared a reference booklet which bond men will find valuable. The booklet contains descriptions of Canadian industrial and utility bonds in tabular form. Outstanding principal, interest rates, maturities, payment dates, call prices and other necessary data are set forth.

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Corporation Finance

Not only in Canada has volume of new money for corporate financing been disappointing as figures shown would indicate. Jackson Dodds, joint general manager of the Bank of Montreal points to this condition in the U. S.

"The volume of corporate financing brought to the market has again been disappointing," Mr. Dodds says of the U. S. "Only 20% of the total represented new money requirements, indicating that the long range outlook for capital investment is still unsatisfactory."

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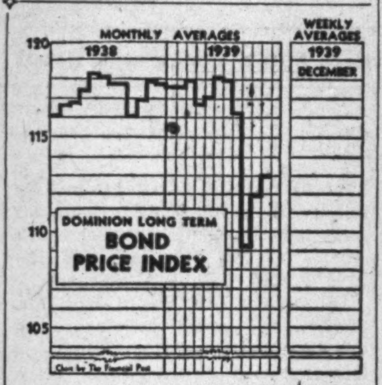
Bond Index

DOMINION OF CANADA
Long-term Bond Index

	Latest week Nov. 24-30	Preceding week Nov. 17-23	Weekly average year ago
Price	113.3	113.2	117.8
Yield	68.9	69.1	61.7



Brant. Roofing Adjusts Bonds

Holders of the 6½% first mortgage bonds of Brantford Roofing Co. are meeting at Brantford on Dec. 28, 1939, to consider certain concessions. Under the proposals advanced, holders of the present bonds would receive $120 in the new bonds, plus $6.50 in cash for each $100 principal amount of bonds now held, including arrears of interest. Interest on the existing bonds was last paid Nov. 1, 1935.

The new bonds are to bear interest at 5% and mature Nov. 1, 1959. In any year that the company reports earnings after interest but before depreciation of not less than $75,000, a sinking fund of 2% of bonds outstanding for the years 1941-45 inclusive and 5% for each year thereafter is to be paid.

The existing 6½% bonds mature Nov. 1, 1950. Of the $505,000 outstanding as at Oct. 31, 1938, $366,500 were hypothecated to the company's bankers and creditors, leaving $138,500 held by the public.

Ask Lombard Realty Interest Rate Cut

A meeting of the 5% first mortgage bondholders of Lombard Realty Co. has been called for Dec. 29 in Toronto to consider reduction in interest rate of the bonds to 2½% from Jan. 1, 1939 to maturity on Jan. 1, 1951. Interest would be payable Jan. 1 in each year, commencing Jan. 1, 1940.

Lombard Realty Co. acquired the assets of National Realty Co, with first mortgage bondholders of the latter company receiving 70% of principal amount of bonds held in first mortgage bonds of Lombard Realty, and two shares of capital stock of Lombard Realty for each $100 principal amount of bonds held. Shares are held in a voting trust that expires Dec. 4, 1941.

General mortgage bondholders received one share of capital stock of Lombard Realty for each $200 principal amount of bonds held.

Interest on the 5% first mortgage bonds of Lombard Realty was noncumulative and payable out of income for the first three years. First obligatory payment became due July 1, 1939, but was not paid.

Charles Gurd to Pay 30 Cents on Common

From Our Own Correspondent

MONTREAL. — Charles Gurd & Co., manufacturer of carbonated beverages, has declared a dividend of 30 cents a share on its common stock payable Dec. 20 to shareholders of record Dec. 15.

Similar payments have been made in December of each of the past two years.

SMELTERS DECLARES EXTRA

An extra dividend of $1 per share has been declared by Consolidated Mining & Smelting Co. payable along with the regular half-yearly dividend of 50 cents per share on Dec. 30, 1939, to shareholders of record Dec. 9. Total amount distributed in 1939 will be $2 per share against $2.50 paid last year.

Toronto Area Plans Ready

Scarborough and East York Townships and Bondholders Evolve Default Scheme

Two remaining Toronto area defaulting municipalities, Township of Scarborough and Township of East York have evolved plans for readjusting debenture debt, in conjunction with debenture holders' committees and the Ontario Department of Municipal Affairs.

The plans are similar to those presented for clearing up the default of York Township. Debenture holders' committees have sent circulars to debenture holders outlining the plans.

As in the case of York Township, the Scarborough and East York plans provide for extension of maturities from one to 40 years. Interest is to be paid at contract rate to maturity of old debentures and 4½% thereafter for any extended period. In the case of East York interest arrears are to be paid on the basis of 66 2/3%, less partial payments made during the defaulted period.

15% Settlement

Scarborough Township plan is similar except that amount of arrears is to be paid at 15% instead of 66 2/3% paid on the other two municipalities, less 4% paid on account in 1934.

East York defaulted in meeting principal maturities due Oct. 1, 1933, but continued to pay interest on all debentures at contract rates to Feb. 28, 1935. Since that date, the township has paid 3% annually.

Scarborough defaulted on principal maturities on debentures due Dec. 15, 1932, but paid interest at contract rates to the end of 1933. In 1934 the township paid 4%, but made no subsequent payment.

Debentures of these municipalities will bear callable features.

When two thirds of debentures signify approval the plan will be presented to the Ontario Municipal Board for approval.

Mount Royal Hotel Outcome Still Deferred

From Our Own Correspondent

MONTREAL.—Plan for reorganization of the Mount Royal Co. was defeated at the special meeting of shareholders by a vote of 35,691 in favor and 60,730 opposed.

Following this vote A. S. McNichols, chairman of the Shareholders General Protective Committee, read a statement that the board indicated lack of faith in management and that the majority of stockholders favored the election of a new board and that the present directors have no alternative but to call a meeting of shareholders for a new election.

It was suggested by E. P. Flintoft, K.C., representing the Canadian Pacific Railway, that the board and committee should get together and try and work out an amicable settlement.

No action was taken in regard to calling a meeting of shareholders to elect a new board.

Crow's Nest Pass Coal To Pay $1.50 on Common

Crow's Nest Pass Coal Co. has declared a dividend of $1.50 a share on the capital stock, payable Dec. 23 to shareholders of record Dec. 1. A similar payment was made June 1 of the current year.

Bond Sales

Three Rivers, Que.

City of Three Rivers, Que., has sold an issue of $549,300 of 4% serial bonds at 96.65.

The only bid for the issue was submitted by a syndicate composed by Banque Canadienne Nationale, A. E. Ames & Co., Dominion Securities Corp., L. G. Beaubien & Co., Hanson Bros. Inc., Rene T. Leclerc Inc., Savard Hodgson & Co. and Wood, Gundy & Co.

Proceeds of the issue will be used to pay for public works and the city's share in unemployment relief works.

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Kitchener, Ont.

The Dominion Bank has purchased two issues of installment debentures of Kitchener, Ont. The first is for $20,500 of 2%, five-year installment debentures and the second, $22,500 of 2¾%, 10-year installment debentures. Purchase price was 99.82, representing an average cost to the city of 2.55%. Proceeds will be used for a sewage disposal plant, a new registry office and collegiate purposes.

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Prince Edward Island

Prince Edward Island has sold $320,000 of 3½% debentures to S. T. Douglas & Co. at 99.95. Proceeds of the issue are to be used for financing road surfacing. The bonds are dated Dec. 1, 1939, and mature Dec. 1, 1944.

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DOMINION TREASURY BILLS

Average yield on Dominion treasury bills dropped to 0.831% with the sale of $25 millions, dated Dec. 1, and maturing March 1, 1940. Price on accepted bids averaged 99.79314, compared with an average price of 99.78081 on the $25 millions issue, dated Nov. 15, maturing Feb. 15. Yield on the latter bills was 0.872%.

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Georgetown, Ont.

Wood, Gundy & Co. has purchased $19,525 3½% installment debentures, divided into three by-laws. The issue was purchased at 101.66 on an approximate cost basis to the town of 2.92%. The debentures mature 1940-44. J. L. Graham & Co. bid 101.625.

Manitoba to Get Credit Act Back

From Our Own Correspondent

OTTAWA.—As a result of representations by Premier John Bracken of Manitoba, the Dominion Government is expected to recommend to Parliament revival of effectiveness of the Farmers' Creditors Arrangement Act in Manitoba. The statute lapsed in Manitoba last June. It still applies in the other western provinces but has been repealed so far as the eastern provinces are concerned.

Candn. Celanese Boosts Dividend

Total of $2.50 This Year Is Highest Ever Paid —

From Our Own Correspondent

MONTREAL.—Canadian Celanese Ltd. has declared a fourth-quarter dividend of 25 cents a share on its common stock plus an extra dividend of $1.50 a share. Both payments are to be made Dec. 30 to shareholders of record Dec. 15.

These declarations bring common dividends for the current year to $2.50 a share, which is the largest amount paid by the company in any year. Last year Canadian Celanese paid $1 a share on its common and in each of the two previous years $1.60 a share.

Directors have fixed March 14, 1940, as the date on which the participating dividend for 1939 will be paid to preferred shareholders. If profit predictions are fulfilled the participating dividend may amount to more than 85 cents a share. Last year it was 54 cents.

Plants at Capacity

The increase in dividends on the common stock reflects the marked improvement that has taken place in the company's business in the current year. Plants of Canadian Celanese continue to operate at capacity and expectations are net profit will be at the highest level in the history of the company. Earnings of more than $3 a share on the common stock are forecast.

Municipal Finances

Fort Erie, Ont., refinancing plan, which has been under discussion for more than a year is reported to be near completion.

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Calgary, Alta., reports surplus on its four civic utility departments during the 10 months ended Oct. 31 of $158,468, compared with an operating deficit of $6,967 during the corresponding period last year.

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London, Ont., net debenture debt at the end of the present year will total $6.1 millions, a reduction of more than $825,518 from that of the previous year. The reduction made in debenture debt was more than $1 million, but hospital debentures issued during the year amounted to $200,000. The city is in the fortunate position of having no debentures payable in U. S. funds.

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Calgary tax collections, which have been showing a steady improvement in the past few years, showed an increase of 3% for the first 10 months of the year, compared with collections during the same period last year. Total taxes collected during the period were 74.06% of levy, while in the same period last year it was 71.06%.

• • •

York County, Ont. auditor's interim report for the 10 months ended Oct. 31, indicates that the County is well within its budget for the period. Expenditures for the period totalled $741,100, including both controllable and uncontrollable amounts, while budget for the entire year calls for $928,416. Total expenditures for the 10 months period are 79.82% of the budgeted amount for the entire year.

Estimated current position at Oct. 31, showed a surplus of $32,030.

In presenting report of the County, W. W. Gardhouse, treasurer, notes that the County has not added any new debt since 1933, and from 1933 to 1939, net debt of the County has been reduced approximately $500,000. At Oct. 31 there were no bank loans outstanding, and a balanced budget in the current year, which at this time seems probable, will be the seventh consecutive balanced budget that the County has returned.

Distillers Dividend Plan Complies With F.E.C.B.

From Our Own Correspondent

MONTREAL.—Distillers Corporation-Seagrams Ltd. announces that, in compliance with requirements of the Foreign Exchange Control Board, the dividend payable on the common shares Dec. 15 will be paid on the basis of 55.5c. a share in Canadian currency. Cheques to non-resident stockholders on presentation to the Manufacturers Trust Co., of New York, will provide that such non-resident stockholders will receive 47½c. in United States currency per share, being an amount equal to 50c. United States currency per share less the regular 5% Canadian income withholding tax.

Can. Northern Power Big Buyer from "Hydro"

From Our Own Correspondent

MONTREAL. — Canada Northern Power Corp.'s power purchases from the Hydro Electric Power Commission of Ontario during August totalled 45,777 h.p. This contrasts with less than half this load three years ago.

It is significant to note that Ontario Hydro's total power sales to customers in the northern Ontario mining district now totals 158,053 h.p., so that Canada Northern Power takes over 25% of the total load.

Manitoba Has Small Surplus

Revenue in 1938-39 at About Same Level as in 1937-38—Expenditures Up

The Manitoba public accounts for the year ended April 30, 1939, show a smaller surplus on ordinary account than in the previous year.

Ordinary surplus for the year, before relief costs, amounted to $1.6 million as compared with $2.1 millions in the 12 months ended April 30, 1938. As in the previous years, the province charged $1.3 million of relief costs to revenue account. Capital expenditures of $300,000 for the Manitoba Power Commission were also charged against revenue.

The provincial share of relief costs, including relief works, was $3.6 millions. Deficit after providing for relief costs was $2.2 millions, which is a small reduction from 1937-38.

Despite a reduction in taxation early in 1938, revenue for 1938-39 was on about the same level as in the previous year, in fact, slightly higher. Ordinary expenditures, on the other hand, increased by $501,000. A larger outlay on education, public works, health and public welfare, and old age pensions accounted for a good part of the increase.

Net funded debt increased during the year by approximately $232,000.

Revenue and Expenditure
Years Ended April 30

Revenue:	1939 $	1938 $
Subsidy	1,708,171	1,703,091
Special grant	750,000	750,000
Taxation	8,851,076	9,117,065
Attorney-general ..	2,179,877	2,022,169
Telephones & 'graphs	928,973	936,407
Mines & resources .	648,740	585,524
Interest	1,250,260	1,169,306
Other revenue	643,757	649,327
Total	16,960,854	16,932,889
Expenditure:		
Debt charges	6,317,579	6,435,077
Education	1,990,840	1,859,281
Public works	1,655,175	1,429,727
Health & welfare ..	2,288,941	2,196,245
Old age pensions ...	730,581	714,581
Other expenses	2,293,371	2,130,247
Total ordinary exps.	15,276,487	14,775,158
Ordinary surplus ..	1,684,367	2,157,731
Relief chgd. to rev. .	1,384,367	1,350,243
Power commission .	300,000	......
Write-offs	......	302,298
Surplus	nil	505,190
Relief costs capitalized	2,253,250	2,323,244
Deficit after relief ..	2,253,250	1,818,054

Debt Position
As at April 30

	1939 $	1938 $
Manitoba stock ...	8,156,694	8,156,694
Manitoba debents. ..	83,084,587	83,642,587
Drainage debentures	2,158,200	2,198,200
Treasury bills	28,510,660	26,367,860
Exchequer bonds ..	7,097,284	7,128,156
	129,007,425	127,493,497
Less: Sinking fund.	12,655,302	11,373,297
Net funded debt	116,352,123	116,120,200

Improvement is Shown By Enamel & Heating

From Our Own Correspondent

MONTREAL.—Enamel & Heating Products Ltd. reports marked improvement in sales as compared with 1938. Business in the first 10 months of the current year was equal to the 1937 volume so that earnings will be better than for a number of years.

According to N. A. Hesler, president and managing director, the company has a good backlog of orders and the outlook for 1940 is favorable. Expansion of business in the current year has occurred in both the domestic and export markets. Bank loans which amounted to $355,000 at the end of 1938 have been reduced somewhat.

In 1938 Enamel & Heating Products reported a deficit of $7,661 as compared with a profit of $7,968 in 1937.

Reliance Grain Co. Pays Preferred Dividend

From Our Own Correspondent

MONTREAL.—Directors of Reliance Grain Co. have declared a dividend of 3¼% on the company's 6½% preferred stock, payable Dec. 20 to shareholders of record Dec. 10.

This payment covers quarterly dividends which accrued during the first half of 1938. Preferred dividends were suspended by the company in 1938 due to unsatisfactory earnings.

Declaration of the dividend reflects improvement in earnings of the company. Like other grain companies, the company has experienced better earnings. Earnings in recent months, largely as a result of the large wheat crop, have shown a substantial increase over the same months of 1938.

No official forecast of earnings for the year ending Dec. 31 is available. In 1938 the company reported a deficit of $144,146 before making any provision for depreciation.

COMING EVENTS . . .

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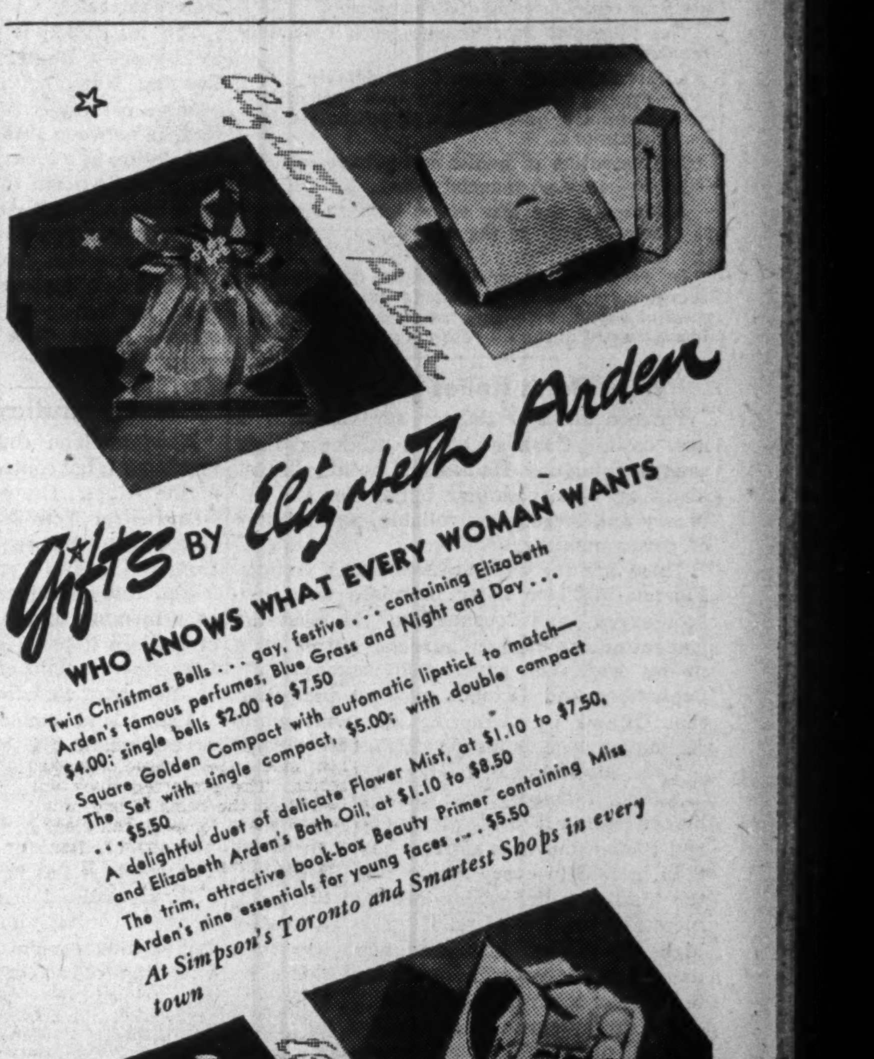
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At Simpson's Toronto and Smartest Shops in every town
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Can. Ingersoll Rand Co. To Split Common Shares

From Our Own Correspondent

MONTREAL.—A special general meeting of shareholders of Canadian Ingersoll Rand Co. has been called for Dec. 8 to consider a proposal to split the common shares two-for-one.

Authorized capital of the company is 200,000 no par value common shares of which 95,200 shares are outstanding. If the split is approved the outstanding share capital will be 190,400 common shares.

Southern Canada Power Earnings Gain in October

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co. reports a gross income in October of $214,559, an increase of 8% over the like month of 1938. Net earnings advanced $9,135 to $118,850 and after deducting interest, depreciation, dividends, etc., surplus for the month was $7,531. This contrasts with a surplus of $72 for the corresponding month last year.

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Pitbladó, Hoskin, Turner, McEwen & Alsaker
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Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipality—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Kitchener, Ont.	Dec...	Dominion Bank	2% 2¾%	5-yr. 10-ins.	$20,500 22,500	99.82	2.55%
Three Rivers, Que.	Dec...	Banque Can. Nationale and Syndicate ...	4%	serial	549,300	96.65	.....
Dominion—							
Canada Treasury Bills	Nov...	....	....	Mar. 1 '40	25,000,000	99.793	.831%
Provincial—							
Prince Edward Island	Dec...	S. T. Douglas	3½%	1944	320,000	99.95	3½%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered By	Rate	Due	Amount	Price	Yield
Acadia Sugar Refining Co.	Dec...	Gardiner, Wardrop & Co.	6%	1954	$2,250,000	100	6%
Winnipeg Electric Co.	Dec...	Nesbitt, Thomson & Co.	3½%	1960	3,500,000	100	3½%
Greater Vancouver Water Dist. ...	Dec...	Dominion Securities and Syndicate	3, 3½, 3¾%	1964	325,000	...	....

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TORONTO, DECEMBER 9, 1939

The Financial Post Editorial Platform for Canada

Winning the war has become the focal point for national and personal effort in Canada. This requires full mobilization of the nation's material and spiritual resources. To the fullest degree this should be obtained by individual effort, freely made. Strong national leadership will inspire service and sacrifice that will reduce the need for regimentation and compulsion.

The Financial Post believes such objectives require:

1. *Strengthening cabinet leadership by drawing upon Canada's best executive brainpower irrespective of political considerations.*
2. *Elimination of public and private waste.*
3. *Pay-as-we-go financial policy.*
4. *Planning the war effort with the post-war as well as the emergency needs in mind.*

In achieving these objectives the spirit of sacrifice and unity in Canada can be used in finding sound, long-term solutions to problems left unsolved in the idle days of peace.

Why Don't Relief Bills Drop?

Finance Minister Ralston says the war is now costing Canada about a million dollars each working day. He has said nothing as yet about an almost similar outlay for the ordinary and largely controllable expenditures of government.

These are the expenditures which Acting-Finance Minister Ilsley promised would be "conserved" and "economized" to meet the "magnitude of the new burdens" thrust upon us by war. Yet government accounts for September and October give no indication that Ottawa is attempting any worthwhile economy measures for the current fiscal year.

Take, for example, relief expenditures.

Although employment indices have been higher than in 1938 in every month since May, and though business activity has been better than in 1938 in every month since February, the total of relief grants-in-aid to the provinces and the cost of relief works is actually higher by $5.7 millions than for the first seven months of the present fiscal year. This is an increase of more than one third. It is in spite of the improvement in farm relief, the recent impetus of recruiting and the expenditure of more than $70 millions on defense contracts, etc.

It is argued at Ottawa that the Dominion Government has little control over such relief expenditures. The provinces and the municipalities, (it is said), call the tune and Ottawa must pay. The only chance Ottawa has of changing the tune is when existing contracts expire—March 31, 1940.

But since the old contracts were negotiated, Canada has gone to war.

To argue that Ottawa is powerless to change these contracts and must condone unconscionable relief bills in spite of increasing employment and in the face of wartime emergency, is inconsistent with the sweeping emergency powers granted—and exercised—by the Government in other phases of its war effort.

Canada can never hope to prosecute its war effort on a pay-as-you-go policy unless drastic curtailment of peacetime expenditures of government is achieved. One place to start this curtailment is by overhauling and reviewing the policies and methods underlying relief expenditures.

If Ottawa has not power to do this, a conference of provincial authorities should be summoned to find the answer to this question: "Why don't Relief Bills drop?"

Achievement and Opportunity

Official film of the Royal Visit is now being shown at theatres throughout Canada. It is drawing large crowds whose hearts throb again in re-living the stirring episodes of last May and June in Canada.

Product of the best of some 80,000 feet of film shot by Major Frank C. Badgley's photographers of the Canadian Government Motion Picture Bureau, the film has been expertly produced with the technical assistance of Associated Screen News. There is a fine narrative spoken by Rupert Lucas. It is being distributed by Empire Universal Film of Toronto whose Empire-wide connections should serve to place the film in theatres all over the world.

The film is largely a record of the official appearances of the King and Queen:—provincial premiers reading addresses of welcome, Their Majesties signing civic registers, mile after mile of flag-waving, cheering school-children, smart civilian regiments on parade. The film as a cavalcade of crowds is entirely true to the facts. The King and Queen were displayed to the Canadian people. They were given little chance to see Canada itself. And so the film is not a picture of Canada—its forests, mines, farms, factories and scenic beauties. It is not even a picture of the Canadian people—except en masse in a holiday mood. If the planners of the Royal Tour had given Their Majesties an opportunity to see over the heads of the throngs to look at the real Canada, the documentary film record would have been a better picture of Canada.

• • •

This film has great interest for Canadians. But perhaps it is not too late to do another version of it—one for showing abroad.

Such a film should be put in the hands of an Alexander Korda—who took a scrap of film of the Kiel Canal bombing and made it an epic story of the Royal Air Force under the title "The Lion Has Wings." Korda would select a few hundred feet of the Royal Visit film. He would add to it the drama of Canada itself and present the whole story as the prelude to Canada's prompt answer on September last when this country ranged itself with other Empire countries to meet the challenge from overseas.

The suggestion is promoted by an article by Beverley Baxter, M.P. in the Glasgow Evening News. In his article, Mr. Baxter offers a continuity for an epic film drama of Canada between 1918 and 1939—growing into full stature as a great industrial nation; cracking open its north country with the airplane as a tool, and ultimately throwing its great strength into the Empire's cause.

Mr. Baxter has given Canada a most inspiring and imaginative idea. Is it too late to apply his idea in a dramatic remaking of the official Royal Tour film for Empire and world showing?

Newfoundland's War Effort

Newfoundland could be excused for not making a large contribution to the war effort of the Allies. The economic position of the island is far from satisfactory. The Commission Government requires financial assistance from the British Treasury.

Yet, Newfoundland has not forgotten that as a member of the British Commonwealth of Nations it has a part to play in the war. Like other sections of the Empire it is making an important contribution.

The island cannot finance an overseas expedition, but it can provide recruits for the British army and navy. This, it is doing. The British Government asked the Newfoundland Government to recruit a specified number of men for army and navy forces. The response has been heartening.

Newfoundland is also making an indirect financial contribution. Recently, the Commission of Government announced tax increases with the object of reducing the drain of grants-in-aid on the British Treasury and of eliminating sterling-dollar exchange transactions in connection with the grant-in-aid. No suggestion had been forthcoming from the British Government that Newfoundland should make a financial contribution. However, the Commission was confident the people of Newfoundland would want to help in every way possible.

The generous spirit and unanimity with which the tax increases have been accepted proves the Commission was not mistaken. To some, Newfoundland's contribution may appear to be small, but its importance should not be minimized. A financial contribution by Newfoundland, in view of the state of its economy, involves great sacrifice. Yet, it is being given willingly.

Broaden the Tax Base

In making his excellent maiden speech as president of the Bank of Montreal, Huntly R. Drummond, added the weight of his position and experience to the argument often put forward in these columns that Canada should broaden the base of the income tax by lowering the present exemptions.

Said Mr. Drummond:

> "Great Britain has drastically increased taxes to provide for war needs and, with normal income tax, becoming effective in May next, of 37½% on all incomes over £285, everyone there is sharing the burden. It is high time that Canada should follow this example.
>
> "True, we have added a surtax of 20% to our income tax, but the vast bulk of the income of Canadians is still only lightly taxed. An extension of the income tax, even at a much lower rate than that in Great Britain, would produce many millions in Canada and be a barrier against the inflation inherent in a policy of borrowing."

There are still half a million heads of families earning between $1,000 and $2,000 in Canada who pay no income tax. There are perhaps a million more single wage-earners earning less than $1,000 who have never filled out an income tax form.

Were the bulk of these men and women required to pay a direct tax such as the income tax there would be more enthusiasm in Canada for seeing that the Government give the sort of leadership Mr. Drummond had in mind when he said:

> "It is in reducing expenditure in non-essentials that our Government can give a lead to Canadians. Sectional needs should no longer be given first place, nor should our railway problem, with its cost to the country of a hundred million dollars per annum, be left unsolved."

Municipalities Take a Bow

Ontario municipalities are beginning to show the results of commonsense government.

Verging on chaos in early depression days, tangled finances are being brought to a semblance of order.

Brantford, Ont., is one of the many municipalities that has been able to stem the tide of mounting deficits and debt. Three years ago it set for itself a goal, which is now within reach. City officials estimate that it will be able to show a surplus of $11,437 for the year. In 1938, it incurred a deficit of $38,486. The deficit in 1937 was $187,049. In 1940 the city will be able to save $31,361 in debt charges because of reduced debenture debt. Current position has been substantially improved. All of which will mean lighter burdens for taxpayers in coming years.

These successes may be ascribed broadly to three factors. First, a plan for conducting the financial affairs of the city has been evolved. The municipality knows where it is going and where it intends to go.

Second, the most expert planning and administration in the world would be of little use without the active co-operation and goodwill of the civic council. Brantford's city fathers have provided this co-operation.

Third, the municipal government has "let the public in" on what it is doing and attempting to do. In consequence, the taxpayer feels that the business of municipal government is his, and that his part in keeping expenditures in reasonable bounds is as essential as that of the council.

In another direction excellent progress has been made. Nearly 90% of the amount of defaulted municipal debt in the province has now been cleared up.

The Department of Municipal Affairs has been able to achieve this goal by close co-operation with municipal councils and debenture holders' committees.

In all, this year's results of municipal operation provide sufficient evidence of progress to stimulate the fight for sounder municipal administration.

Lesson For Judges

If all citizens took the advice offered them by a learned justice in Ontario the other day we soon would need no courts. Lynch law and family killings would handle the situation without the expense of judicial machinery.

Some trifling case involving a tactless arrest by a town constable of a neighbor woman was before Hon. Justice John Godfrey. The woman sued the policeman and was awarded damages. In rendering judgment the occupant of the King's bench commented: "If I had been there, or that woman's husband, I would have hit him with whatever I could get my hands on."

Such an invitation to law-breaking, issuing from the bench, is ordinarily inexcusable.

For Justice Godfrey perhaps two excuses can be offered. In the first place he is new at his job. No doubt he will learn, as he gains experience, to control his tongue. In the second place, he was for many years Ontario Securities Commissioner. In that job he was lawmaker, policeman, judge and jury all rolled into one. He was responsible only to himself and was vested with autocratic powers that on more than one occasion he exercised in a highly arbitrary fashion. No doubt he is finding difficulty in becoming merely a judge.

The Canadian Editorial of the Week

The Right to Criticize

Brantford Expositor

One of the best incentives to efficient administrative action is a realization that policy is being watched with a discerning eye. If this vigilance is relaxed there is an inevitable tendency to inefficiency, if not incompetence.

It is useless to pretend that Canada's war effort and the organization to that end have attained perfection. It would be unreasonable to expect it. Criticism, therefore, provided it be of a constructive nature, should be welcomed as being helpful at such a time. To suggest that free expression of opinion by responsible spokesmen for a free people is likely to give the Nazis "wrong ideas" is a silly argument. The Nazi propaganda ministry can be depended upon to invent unfavorable stories about Canada which will fully eclipse the truth. Dr. Goebbels does not depend upon little items of honest criticism for his supply of ammunition.

Against that, there is the high example of the Motherland where, on the most crucial of policies, the Government rarely escapes criticism even in wartime. Mr. Chamberlain and his Ministers are almost daily subjected to vigorous and sometimes bitter attack from one section or another of the British press, or in Parliament itself. Despite the restrictions of a state of war, the voice of critical judgment is not stilled in the United Kingdom. And this, even at so early a date, has had demonstrated value. Because press and people have not remained quiescent, blunders have been remedied and mistakes prevented which might otherwise have resulted in loss and possibly disaster.

There is a world of difference between criticism and subversion and neither Ottawa nor any other capital in the British Commonwealth of Nations has any license to be too sensitive on the subject. When the voice of fair and reasonable criticism is stilled in this land, the very principles for which we are now fighting will have died.

Editorials in Brief

Regina beamed last week with civic pride. Its enterprising Civic Voters Association overcame elector lethargy and completely overturned the so-called "Labor Council" and the Communistic influences which had attached themselves thereto.

The vote was taken before the murderous attack on Finland. Had it occurred afterward it could not have been more encouraging or decisive.

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After an Inspection trip of the Halifax district, Hon. Norman Rogers, Minister of National Defense, has announced that the Navy League building commandeered by the Air Force at the beginning of the war, cannot be returned to the use for which it was originally built and for which a need has now arisen, namely to provide hostel accommodation for sailors on leave. The only present alternative is to spend $100,000 erecting a new hostel.

According to newspaper reports, Mr. Rogers gave no reason why the Government feels no such arrangement should be made except that "any attempt now to make a change would seriously interfere with the efficiency of the service."

If the Government is convinced that it would be unwise or impossible to restore the Navy League's building for use as a hostel, Mr. Rogers should at least give a fuller, more complete explanation of the reasons. Public opinion in Halifax has been aroused by the Government's move.

Sayings of the Week . . . .

"I do not believe that hatred of the German people is in any way necessary to produce our maximum war effort."—*Colonel George Drew.*

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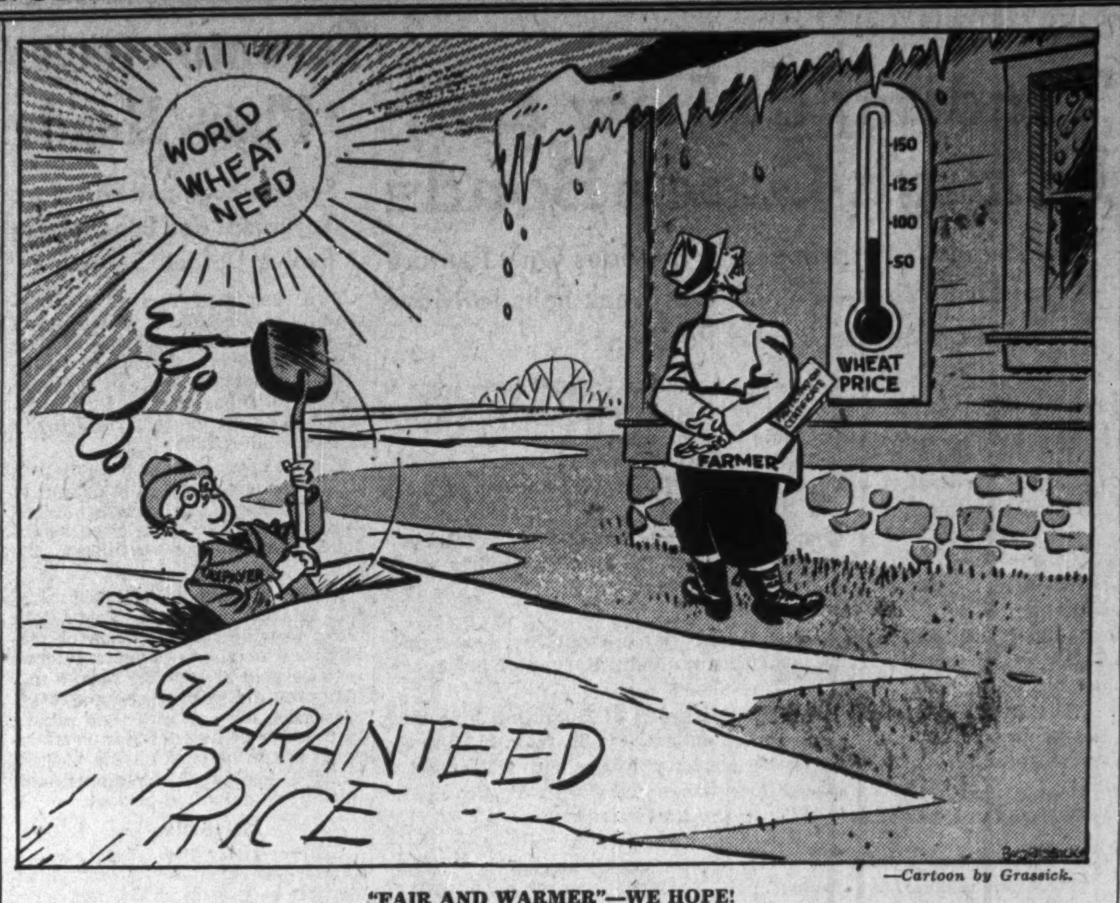
"The Romans had the right idea. In a time of war they called Cincinnatus from the plough to be their dictator and after the enemy had been defeated the dictatorship was at once abolished and he returned to his farm."—*H. R. Drummond, Bank of Montreal.*



—Cartoon by Grassick.

"FAIR AND WARMER"—WE HOPE!

Post-Scripts . . .

Britain's Buyer

Six feet three of genial warmth and top-flight engineering ability is Lieut.-Col. John Henry Maitland Greenly, C.B.E., controller general, therefore head man, of the British Supply Board in Canada and the United States.

COL. J. H. M. GREENLY

The British Government had good reasons for selecting him to head this group entrusted with making best use of the industrial facilities of North America to serve Britain's war needs. One reason they probably never considered.

Colonel Greenly is a descendant of Sir Peregrine Maitland, who was lieutenant-governor of Upper Canada, 1818-28 and of Nova Scotia, 1828-34.

Another link with Canada is that he is chairman of the world-wide machinery and engineering firm, Babcock-Wilcox, Ltd., whose Canadian affiliate is Babcock-Wilcox & Goldie-McCulloch of Galt, Ont.

An older brother, Major General Walter Greenly, who spent a lifetime with His Majesty's forces in many parts of the world, has the ancestral acres, Calcot Hill, near Reading and gives Who's Who as his other address, "Trail Farm, Palermo, Ontario, Canada."

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Col. Greenly now has two of Canada's leading industrialists for "front men." Wallace R. Campbell, president and treasurer of the Ford Motor Co. of Canada Ltd., is buyer for Canada; Arthur B. Purvis, president and managing director of Canadian Industries Limited, buyer in the United States.

He looks considerably less than his 65 years, which, it has been suggested, may in part be due to his deputy chairmanship of the Bird Custard Company and to his fame as one of the really expert fly-fisherman of the United Kingdom.

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Quebec's Treasurer

In selecting his provincial treasurer, Hon. Adelard Godbout, Quebec's new Premier, adhered to tradition and chose a representative of the English-speaking minority to fill the post.

The Premier's choice was J. Arthur Mathewson, K.C., Montreal lawyer, and, as Mr. Mathewson well knows, he has been handed the most difficult job facing the Godbout Government, namely, that of putting finances of the province in order.

J. A. MATHEWSON

No one realizes better than Mr. Mathewson that he has a difficult task ahead. When he took over control of the provincial purse from the Duplessis Government it was empty. In fact, one might say that the bottom had fallen out of the purse. Not only was there no cash on hand but there were millions of dollars of unpaid bills. He has already induced the banks to loan the province enough money to liquidate these.

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Outside of Quebec, Mr. Mathewson is not well known. But he is by no means a newcomer to the political field. His reputation as a politician dates back to his university days at McGill where he was elected president of the Students' Council in 1914.

He is a former president of the Montreal Protestant School Board and for two years was a Montreal alderman. In 1930 he was a candidate for the Montreal mayoralty chair, but was defeated by Camillien Houde.

Although a representative of the English-speaking minority he speaks French fluently. One reason for this is that, following graduation from McGill, he took post-graduate studies at the Sorbonne and the Free School of Political Sciences.

During the first World War, Mr. Mathewson served overseas with the 42nd Battalion, Royal Highland Regiment, in the capacity of a captain.

Forty-nine years of age, the new provincial treasurer has belonged to a golf club for 15 years, but has never played golf. His hobby is horses. Most week-ends he will be found at his farm at Mount Bruno.

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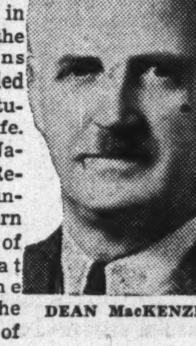
Research Head

Dean C. J. Mackenzie, of the faculty of engineering in Saskatchewan University, who has become the acting president of the National Research Council, assumes direction of research in Canada in precisely the conditions which called this institution into life. Canada's National Research Council was born as a result of the Great War. The need for the correlation of research work throughout the Empire became so obvious in 1916 that the British Government suggested that each self-governing Dominion should set up a council. Canada took that advice, so that today finds this country well equipped in scientific research to meet the demands of an Empire at war.



DEAN MacKENZIE

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While Dean Mackenzie comes from Saskatoon he is, like so many other western leaders, a Maritimer. He was born in 1888 in St. Stephen, N.B., on the international border. He was educated at Dalhousie, graduating as a bachelor in engineering. He went west and practised as a consulting engineer until 1914 when he took the postgraduate course in his profession at Harvard. He took a two-year course in a single year and came out of it with the Harvard degree M.C.E. That was in 1915 and he forthwith enlisted in the Canadian Infantry and served until the end of the war.

But Dean Mackenzie had already dabbled in university work. While not formally attached to the Saskatchewan University he had gone to Saskatoon in 1912 to organize a school of engineering.

After the war he returned to Saskatchewan University and tackled the job in earnest. In the result, he built up one of the finest schools of engineering in the country, numbering 500 undergrads in 1938. And with his university work went a steady, broadening stream of public service. Dean Mackenzie served for a time as an alderman of Saskatoon; he served on the civic hospital board; served on the public health council of his province. Moreover, he served on many professional bodies and for the past four years was a member of the National Research Council.

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The most casual acquaintanceship with Dean Mackenzie demonstrates a keen understanding of the qualities which alone can bring success in his new job. The president of the National Research Council is, in reality, the universal joint of scientific research in Canada. He is, as well, the channel through which co-operation with research councils in other parts of the Empire is maintained. It is, essentially, a job of organization and co-relation. The president is not a boss, in the sense that he directs at close range the work of the distinguished scientists who are on the staff of the council at Ottawa or of the many other scientists throughout the country. His job is to help them, encourage them, co-relate their work.

Dean Mackenzie is pure Scot. His great grandparents came to New Brunswick when they were young children. He is all but a third generation Canadian. He is of medium height, stockily built. His undoubted scientific attainments are firmly based upon more than the average stock of good hard common sense.

Consumers' Gas

A year ago in November the late Thomas Bradshaw, then president of the Consumers' Gas Co. of Toronto, and F. G. Osler, a member of the executive committee persuaded Col. A. L. Bishop to accept nomination to the board of directors of the company. He served on the board for a year. Thereupon he was visited by a delegation of his fellow directors.

COL. A. L. BISHOP

This time the delegation was headed by Col. J. F. Michie. He persuaded Col. Bishop to accept the presidency of the company made vacant by the death of Thomas Bradshaw—the presidency of one of Canada's oldest companies, one which boasts a dividend record that is unique in this country.

Arthur Leonard Bishop was born in Brantford, Ont., in 1895. Educated in Brantford public schools, Ridley College, St. Catharines, and Royal Military College, Kingston, he received his commission in September, 1914, and served in France, Belgium, the Balkans and on the War Office staff and in the Royal Air Force. He was wounded, mentioned in dispatches, and since 1918 has continued his connection with the Canadian Militia, serving finally as commander of the 5th Infantry Brigade from 1931 to 1934. He married the daughter of the late A. D. Langmuir, Toronto, and has four children. Mr. Langmuir, by the way, was a former general manager of the Toronto General Trusts Corp.

On his return from overseas Col. Bishop became associated with various enterprises headed by his uncle, the late Col. Leonard of St. Catharines. Col. Leonard had organized many companies active in making munitions and ships during and following the war. Most of these have long since lost their identity. One group, the Coniagas Mines and Coniagas Reduction Co., of which Col. Bishop is now president, was organized by the Leonard interests, and has had a very active and profitable post-war career. Coniagas produced over 32 million ounces of silver from its Cobalt mines up to 1926. Their cobalt compounds were widely used in ceramic industries throughout the world. Now Coniagas operates as a mining and mine managing company. Col. Bishop is also president of Coniagas and Sturgeon River Gold Mines and vice-president of Coniaurum Mines Ltd.

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His other directorships cover a wide range of interests and include: Manufacturers Life Insurance Co.; Toronto General Trusts Corp.; Imperial Bank of Canada; Anglin-Norcross Corp.; Consolidated Mining & Smelting Co.; Canadian General Investments Ltd.; Canadian Locomotive Co.; Commonwealth Electric Co. Col. Bishop is also a governor of Ridley College, treasurer of the Canadian Red Cross Society, a member of the Engineering Institute of Canada and the Canadian Institute of Mining and Metallurgy Institute of Mining and Metallurgy.

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Bruce County Boy

Bruce county has given many leaders to Canadian business.

One of these is W. T. A. MacFadyen, whose appointment as assistant general manager of the Bank of Montreal was announced recently.

W. T. A. MacFADYEN

Born in Tiverton, Mr. MacFadyen began his banking career at age 19 in the London branch of the former Merchants Bank of Canada. It did not take him long to show his aptitude for the business. Within four years he had attained the rank of accountant in the Oakville office of the bank. Later he served in the same capacity at Hanover, Ont.

While he was there his capacity for head office work was recognized and he was taken to the headquarters of the Merchants Bank, where he was employed when that institution was taken over by the Bank of Montreal. In the reorganization that followed he was appointed to an important position in the Ontario superintendent's division of the Bank of Montreal in Toronto. In 1925 he became assistant superintendent of that division. Six years later when S. C. Norsworthy, then superintendent for Ontario, was moved to Montreal, Mr. MacFadyen took his place as superintendent, where he has been since.

The Blackout of Communism

Ottawa Journal

Russia's murderous attack on Finland—and there is no blacker crime in all the bloodstained pages of history; Germany at the Nazi worst was not more brutal—puts an abrupt end, we should say, to the thought which has found considerable support in the English-speaking countries that Communism offers something different and better as a way of life.

This country, and every country, has had its pinks and reds who pointed with pride to Soviet Russia as an example to the world. There, we were told, was a system of government by and for the people; a system which had developed a prosperous and contented state, a state concerned only with world peace and the establishment of internal order and progress. And many good people came to wonder whether possibly Soviet Russia was not the answer to our hopes of better things for the future.

Now we have the answer. Communism, as Russia shows it in action, is rampant and ruthless imperialism such as Czarist Russia never knew. Communism is death to the freedom of small and inoffensive nations; Communism is naked aggression and the worship of brute force; Communism is unprincipled and vicious and utterly without conscience.

We cannot be indifferent to the lesson of unfortunate Finland; we must be less tolerant of Reds and their propaganda. Stalin and his gang of cutthroats have shown us Communism in perfect flower. We see it now as a machine in operation, not as a theory. Nazi Germany not unnaturally finds it possible to praise and commend the slaughter in Finland for reasons of the moment, but everywhere else in the world the brazen policy of the Soviet finds condemnation. Stalin has aroused a weight of indignation which now he can ignore but which effectively puts a period to his hateful propaganda.

As Others See Us . . . . .

Canada as Investment Field

Sudbury Star

War and war measures have hardly changed the attractiveness of this country for the outsider's wealth observes The Financial Post.

Though Canada is at war, the results of the conflagration will be economically much less serious than for most countries, including many which remain neutral.

Valuable Criticism

New Glasgow News

The Financial Post, which has been tracking down fishy contracts let before the war by Hon. Ian Mackenzie, continues on his trail and will not be satisfied until he has been retired from the cabinet to leave an opening for new and stronger material. The Post feels, like ourselves, that there is better material available in Canada than that of the present cabinet.

This war will never be won unless the Government is kept carrying on its many duties in the most effective and cheapest way possible. It will be only through constant criticism that this end will be achieved.

Mr. King's Responsibility

Quebec Chronicle-Telegraph

It is the duty of the Government to satisfy itself that there is no improper patronage and to assure the public that there is none, without laying the onus of making specific charges upon the Leader of the Opposition. We do not know about conditions elsewhere but there have certainly been complaints in this district and as Dr. Manion does not usually speak at random, it is to be presumed that he is in a position to cite concrete instances. In any event, Mr. King, when he called for such precisions, can hardly have been unaware of the "incidents" to which attention has been drawn by The Financial Post.

Surely, if Mr. King assumes full responsibility for the conduct of the war, he ought to meet it squarely and without equivocation. The least he can do to that end is to convene Parliament as requested but, to show his good faith and to protect his administration, he might well set up a special nonpartisan commission of three—one judge, one member named by the Government and one named by the Opposition—to review all appointments and orders for the duration of the war and to report all cases of official laxity or improper patronage.

Stop Me If . . .

The other night at Moose Jaw, beloved Hon. "Archie" McNab, Lt.-Governor of Saskatchewan, delighted a meeting of old-timers by his fund of anecdote and humor.

One story he told was about the Frenchwoman who invited half a dozen bachelors, including young McNab, into Sunday dinner. This lady had the only garden in the countryside and gave the neighboring swains a treat of new potatoes, cabbage, parsnips, etc.

The meat was delicious, perfectly flavored, but the young men were at a loss to know whether it was beef, pork or mutton.

Said His Honor:

"As I was going out the door I complimented our hostess on her lovely dinner and then, because I knew her better than anyone else, I said to her: 'But what kind of meat was that?'

"'Don't tell the others,' she implored. 'It was badger.'"

Week in Business

War Demand Helps Canada's Markets

Contracts for Bacon Comes on Top of Base Metals Agreement and Improved Wheat Trade —Commercial Bank Loans Increase and Carloadings Rise

War demand continues to broaden demand for Canada's products. Announcement that the United Kingdom will take up to 5.6 million lbs. of bacon weekly from Canada if this country can supply that much, means an assured market for considerably more than the Dominion has been exporting in recent months. The price of $20.18 agreed on for an English hundredweight of 112 lb. for Wiltshire sides, is estimated to be equal to around $9 to $9.50 per cwt. for hogs at Ontario shipping points.

It means the distribution of well over $50 millions annually to the bacon and hog industry. It also means that bacon production in Canada will have to be speeded up considerably if Canada is going to keep up the supply.

* * *

This and the improved outlook in the wheat markets, and the contracts between the British Government and Canada for base metals gives some evidence of the extent to which Canada is participating in the war demand for supplies. In a statement issued last week, the War Supply Board announced that contracts approximating $45 millions for war materials and defense projects had been awarded between Sept. 1 and Nov. 21, in addition to $25 millions being spent for railway equipment.

Wheat prices have shown a considerably stronger tone in recent weeks. Sales to Allied and neutral countries overseas for future delivery have been increased sharply. James Richardson & Sons, grain dealers, estimate that in the five weeks to Nov. 29, export sales of wheat and flour were in the neighborhood of 50 million bushels. Export clearances are stated by the same authority to be on the increase also. Allowing that one quarter of the crop has been sold to date, which is probably a high figure, it would appear that every rise of one cent a bushel on the balance would mean over $3 millions to Canadian farmers.

* * *

In the industrial field the expansion in iron and steel output is outstanding. Production of pig iron in Canada at 85,758 tons in October reached the highest level since January, 1930, when the total was 87,079 tons. Steel ingot production of 149,890 tons compares with 76,256 a year ago.

Railway carloadings have taken a decided contra-seasonal turn upward owing to the heavier movement of grain to seaboard. Total loadings including merchandise and miscellaneous freight are keeping well above a year ago.

In the financial field the most outstanding development has been the increase in current loans. These are loans made to merchants, manufacturers, farmers, etc., and the gain of over $100 millions compared with last year shows how the demand for credit has grown. Compared with August, the month before the war began, the increase is $125 millions.

Business Indicators

Current business steady with D.B.S. index of business activity for week ended Nov. 25 fractionally above previous week.

Carloadings for week ended Nov. 25 up 23% over last year. Total for year to date up 3.7%.

Construction contracts awarded in November down almost 15% from year ago.

Pig iron production in October 70% above 1938 level. Steel output almost doubled.

Railway earnings for last 10 days of November, higher than year ago, cumulatives up 10.6% and 5.5% for C.N.R. and C.P.R. respectively.

Retail sales in October above previous month and last year.

Bank debits in October below 1938. Total for 10 months up 2.5%.

Trend of business shown by The Financial Post Business Index and following key factors, new items for the week being marked thus ▲.

	Nov. 25	Nov. 18	Nov. 11	Nov. 4	Nov. 26/38
Commodity prices	79.7	79.6	79.1	79.0	73.5
Weekly index	103.5	102.7	103.1	104.7	106.6
	Oct.	Sept.	Aug.	July	Year Ago
Financial Post index	*127.2	122.6	121.0	119.8	115.7
Retail index no. of sales	▲88.6	87.6	81.8	83.7	80.5
Dept. store "	90.1	86.4	73.1	77.3	77.3
Wholesale "	▲117.4	141.9	102.7	92.1	97.8
Country (% change fr. last yr.)	▲+3.5	+12.1	—2.2	—6.2	—8.1
Employment D.B.S. Index—	Nov. 1	Oct. 1	Sept. 1	Aug. 1	Year Ago
All industries	123.6	121.7	119.6	117.5	114.6
Manufacturing	122.1	119.7	115.3	112.8	110.9
Wage earners, No. (000)	....	....	2,506	2,461	2,402
Living costs	....	▲$17.69	$17.02	$17.02	$17.35
			Jan. 1 to date		%
Railways—	1939	1938	1939	1938	Change
Carloadings, week (Nov. 25)	▲59,761	48,269	2,312,339	2,229,914	+3.7
C.N.R. gross, week (Nov. 30)	$ ▲6,505,197	5,111,222	184,773,869	167,058,671	+10.6
C.P.R. gross, week (Nov. 30)	$ ▲4,756,000	4,037,000	137,548,000	130,307,000	+5.5
C.P.R. net revenue (Oct.)	$ ▲5,844,165	6,046,430	18,549,575	13,377,224	+38.6
C.N.R. net revenue (Oct.)	$ 5,453,848	4,650,861	12,106,202	2,195,607	+451.3
Iron and Steel (Oct.)—					
Pig iron production (tons)	▲85,758	50,657	573,740	605,502	—5.2
Steel ingots and castings prod. (tons)	▲149,890	76,256	1,087,583	987,261	+10.1
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (Oct.)	5.850	5,392	74,671	80,826	—7.6
Factory output (Oct.)	7.791	5,412	87,433	94,140	—7.1
Trucks and Buses:					
Domestic sales* (Oct.)	1,210	1,124	21,057	23,253	—9.4
Factory output (Oct.)	1,849	382	32,493	35,340	—8.0
Exports (Oct.)	1,213	2,946	48,921	50,049	—2.2
Financing (Oct.):					
Used	$ 2,667,444	2,549,356	29,975,021	31,894,065	—6.0
New	$ 1,708,896	2,035,587	23,623,493	29,711,589	—20.5
Construction—					
Contracts awarded (Nov.)	$▲12,739,000	15,019,700	177,749,300	176,592,400	+0.6
Cement, bbls. (Aug.)	841,736	713,315	3,573,338	3,531,372	+1.2
Agriculture—					
Flour prod., bbls. (Oct.)	▲2,089,562	1,906,385	13,326,675	11,088,504	+20.1
Flour exp., bbls. (Oct.)	444,144	528,601	3,866,648	3,068,926	+26.0
Wheat exp., bush. (Oct.)	16,848,847	24,579,370	107,856,939	76,492,261	+41.0
Cattle sales (Oct.)	125,141	93,902	677,987	638,279	+6.2
Hog sales (Oct.)	118,484	63,589	594,808	569,220	+4.4
Sea Fisheries: (October)‡					
Catch, cwts	818,300	1,040,900	8,277,320	8,162,610	+1.4
Landed value	$ 1,179,300	1,417,400	14,958,780	16,048,910	—6.7
Newsprint (tons)—					
Production (Oct.)	280,985	254,872	2,339,884	2,169,532	+7.8
Exports (Oct.)	270,493	248,067	2,149,432	1,967,385	+9.2
Mining and Oils—					
Coal prod., tons (Sept.)	1,344,972	1,117,269	10,455,919	9,887,283	+5.7
Coal imports, tons (Sept.)	1,744,468	1,559,285	8,829,683	9,481,004	—6.8
Gold prod., fine oz. (Sept.)	▲421,485	408,326	3,803,202	3,464,398	+9.8
Nickel prod., lb. (Sept.)	▲20,275,866	16,939,700	170,361,711	160,097,162	+6.4
Copper prod., lb. (Sept.)	▲50,698,464	48,784,733	451,410,179	428,875,538	+5.2
Crude oil prod., bbl. (Sept.)	▲720,866	892,732	5,787,117	5,341,569	+8.3
Crude oil, imp., bbls. (Oct.)	4,746,000	3,640,000	31,400,657	30,199,508	+3.9
Electric Power Output (Oct.)—					
Total monthly m.k.w.†	2,589,956	2,332,461	23,213,735	21,283,948	+9.0
Foreign Trade—♦					
Imports (September)	$ 73,564,271	56,411,727	515,331,719	505,952,759	+1.8
Exports (September)	$ 82,456,582	73,109,154	644,040,089	602,736,537	+6.8
Other Industrial Factors—					
Dressed lumber exp.: M. bd. ft. (Oct.)	244,085	144,296	1,823,970	1,352,951	+34.8
Shoes. prod., pr. (Sept.)	2,368,374	2,069,929	17,905,207	16,821,756	+6.4
Cotton imports, lb. (Sept.)	7,188,000	6,101,000	75,751,000	86,060,000	—11.9
Raw rubber imp., lb. (Oct.)	11,877,283	7,031,956	59,726,390	45,644,327	+30.6
Cigarette cons. (Oct.) No.†	706,229	587,692	5,980,875	5,751,514	+3.9
Sugar manufactured, lb.§	101,604,562	96,562,843	662,803,108	663,679,817	—0.1
Finance—					
Bank debits (Oct.)†	$ ▲2,898,916	2,975,778	25,630,139	25,010,198	+2.5
Bond sales (Oct.)†	$ 267,617	118,446	1,299,768	951,089	+36.3
Life insurance (Oct.)	$ 34,677,000	32,372,000	325,139,000	313,213,000	+3.8

*D.B.S. All Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Oct. 7, 1939. ♦Gold excluded.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Preliminary.

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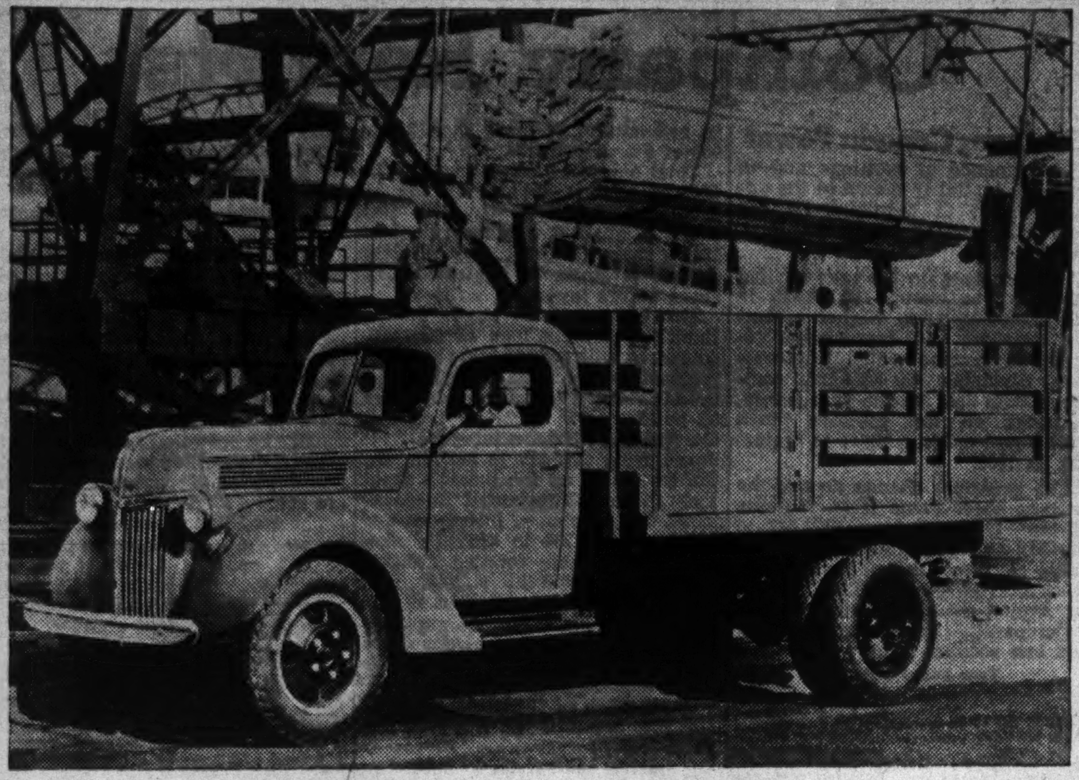


FORD TRUCKS REDESIGNED FOR 1940

Extensive redesigning to make for more impressive appearance and greater operating efficiency features the 1940 line of Ford V-8 trucks offered by Ford Motor Co. of Canada. Commercial cars have the advanced styling of Ford passenger cars, the front end design of the sedan delivery model being adapted, for the first time, from the de luxe passenger model. In the heavier trucks, front end design has been flattened to give an appearance of massiveness and strength, and brightened by generous use of chrome.

Keeping Posted

By J. C. KIRKWOOD

Calling all carvers! That's what page 54 of the December issue of Chatelaine does. It shows diagram illustrations of ways to carve a turkey and a duck. Therefore, this December issue ought to find its way to many fathers of families Perhaps it will! Wives and daughters may be trusted to pass it on to fathers. And perhaps fathers will cut out these illustrations with their instructive legends and paste them somewhere—where they can be consulted year after year—for not every man has acquired the publicized skill of President Roosevelt with a carving knife. Turkeys are not so bad, but ducks! The wing joint of a duck is about as hard to find as a mislaid letter.

JOHN C. KIRKWOOD

One of the footnotes to the illustrations says the carver is always a knave or a fool. If he keeps the best for himself, he's a knave; if he doesn't, he's crazy.

Here's my chance to say something to housewives. Serve fowl on a huge platter, for the sake of carver's temper and the tablecloth. I've been married 43 years, and still the bird is served on a platter which just fits!

* * *

Fighting Dust

In the November 1 issue of Maclean's is an article, by Thelma Craig, titled, "Science Fights the Death Dust." This article tells much about silicosis—a miner's malady, whose "spectre hovers over every mining camp in Canada." In Ontario, for example, each case costs the mining industry an average of $11,000, but the figure may go as high as $20,000, or even $25,000. But now comes a new hope of combatting the miner's dread. Science has made an amazing discovery. Science has found that silicosis can be prevented in animals. One more step—the greatest step of all—remains. That is to test and prove the efficacy of the discovery on human beings.

It is four Canadian scientists who are leading the whole world in the discovery of ways of shooting away the spectre of silicosis from the operations of mining. These four Canadians are likely to have their names inscribed on Canada's honor roll, along with such names as Banting and Best and Saunders and other famous researchers and discoverers. These men are Sir Frederick Banting himself; J. J. Denny, mine metallurgist, formerly connected with Queen's University; Dr. W. D. Robson, mine surgeon; and Dr. Dudley A. Irwin, associate professor in the department of medical research, Toronto, University.

* * *

Merchandise Gambling

The merchant who gambles in merchandise is inviting disaster. This is the considered opinion of Men's Wear Merchandising. It goes on to say: "The trade's experience between 1914 and 1921 offers abundant proof of this. During the last great war and its immediate aftermath, merchants and manufacturers who courageously bought merchandise sufficient to cover their requirements for the then current season found they were able to operate successfully, and have no accumulation of questionable goods at the end of the season. Those who overbought, beyond their season's requirements, in anticipation of higher prices during the next season, usually found themselves holding the bag. Gambling in merchandise differs in no particular from any other form of gambling, and certainly it has no place in orderly and intelligent merchandising."

These are sane observations. Speculation in merchandise has ruined thousands of retailers. One recalls the catastrophic errors made by many farmers during the days of the World War. Many of them allowed themselves to be carried away by the experience of high prices for farm produce: they bought additional land and additional machinery, and generally spread themselves and their activities, Many became merchandisers in addition to being producers. Then, when war ceased, there was a quick and ruinous collapse of high prices and of top-heavy markets.

* * *

Livestock for Cars

Leo Wildgen, automotive dealer in Chatham, Ont., is said to be the only Ontario dealer on record who takes livestock as down payment on new motor cars—and he has been doing it for 19 years, says Canadian Automotive Trade.

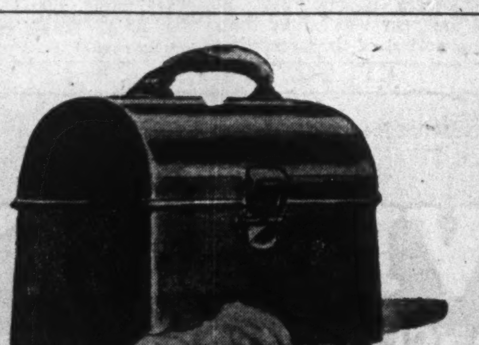
Mr. Wildgen has a 300-acre farm and in addition to being a farmer is the local representative of General Motors. "I've always known livestock," he is quoted as saying. "Livestock is liquid stock. I'd rather have cows, horses, hogs or chickens as down payment on cars than I would a bad note. I can always sell livestock for cash." Sometimes Mr. Wildgren will turn his livestock into cash straightway; or, he may keep his animals and hold an auction once or twice a year.

* * *

Value of Words

Because I am sensitive to the quality of the writing in first-flight newspapers and periodicals, I found my attention captured by a news report on a report made by a special Harvard Committee on the Use of English by Students:

> "The quality of English revealed seems on the whole to be unworthy of Harvard freshmen and sophomores. Conspicuous faults included meaningless, incoherent statements; the attempt to attain distinction by high-flown figures of speech; misuse of rhetorical questions and other mechanical tricks of writing; misspellings, 'telegraphic' style, uncouth abbreviations and careless punctuation."



Back again—
the full dinner-pail

. . . More money to spend all round, as industry and defense gradually absorb the formerly unemployed. Replacement purchases of the "stark necessity" type will soon be followed by others more in the class of long-denied luxuries. Every reliable index indicates a great up-swing in business for retailers. Toronto is Canada's richest market, having one-fifth of the people of the entire Dominion and one-third of Canada's buying-power within the radius of one hundred miles —and undoubtedly—

TORONTO IS A "TELEGRAM" CITY

THE EVENING TELEGRAM
Largest Classified Linage in Canada
TORONTO CANADA
MONTREAL: E. R. CHOWN, Dominion Square Building

Maritimes Eye Lumber Supply

Over 107 Million Feet on Hand With Slightly Less Than Half Sold

From Our Own Correspondent

MONTREAL.—Stocks of lumber on hand in New Brunswick and Nova Scotia as at October 15 totalled 107,865,000 board ft., of which 50,485,000 were sold and the balance unsold, according to returns compiled by the Maritime Lumber Bureau.

New Brunswick mills report stocks of 78,125,000 ft. of which quantity 28,445,000 ft. sold. In Nova Scotia there were stocks of 29,740,000 ft., of which only 7,700,000 remain unsold.

Returns for the two areas follow:

Maritime Lumber Stocks
(As at Oct. 15, 1939)

New Brunswick	Sold	Unsold
Spruce	20,220,000	33,490,000
Pine	1,445,000	7,995,000
Hardwood	6,780,000	8,195,000
Nova Scotia	**Sold**	**Unsold**
Spruce	17,045,000	5,200,000
Pine	3,235,000	1,620,000
Hardwood	1,760,000	880,000

Canadian Pacific Net Declines in October

From Our Own Correspondent

MONTREAL.—Smaller gross revenues resulted in a decline in net earnings of the Canadian Pacific Railway in October. Net for the month was $202,265 lower than in the same month last year.

Cumulative returns for the first 10 months of the year show an increase of $5.2 millions over the same period last year.

Month of October	1939 $	1938 $
Gross revenues	16,667,801	16,934,547
Oper. expenses	10,823,635	10,888,116
Net earnings	5,844,166	6,046,431
Ten Months Ended Oct. 31		
Gross revenues	122,112,224	117,280,683
Oper. expenses	103,562,649	103,903,459
Net earnings	18,549,575	13,377,224

Dominion Textile Co. Sherbrooke Unit Active

From Our Own Correspondent

MONTREAL. — Dominion Textile Co.'s plant at Sherbrooke reports an increase of about 35% over production last year. Nearly 1,000 employees work full time in the plant which employed only about 600 working two or three days a week last year.

SUGGESTIONS FOR INVESTMENT

The personal requirements of the individual in investment matters constitute an important feature of our investment service. This service is available without obligation at any of our offices.

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Correspondents in New York and London, Eng.

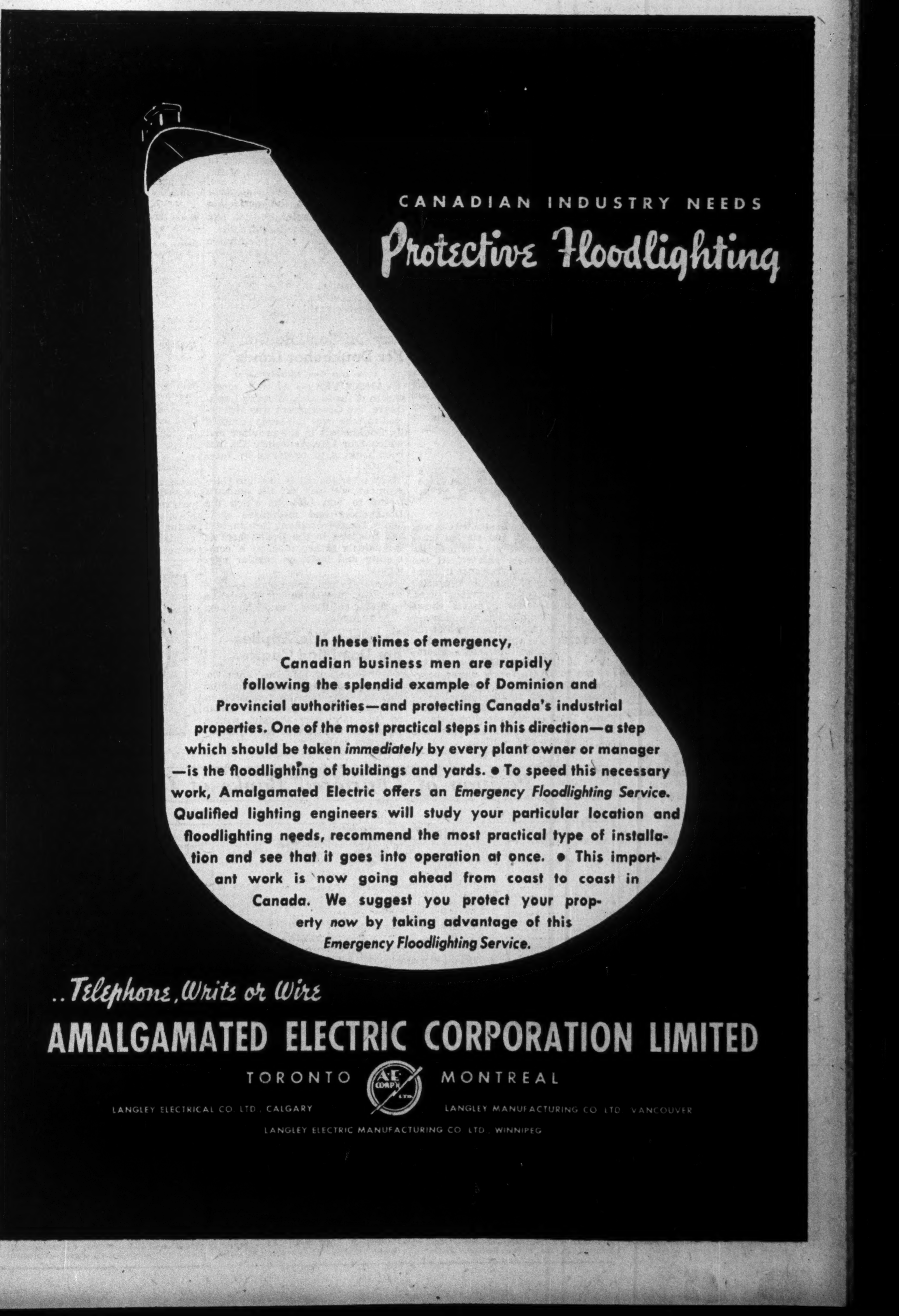
Power Corp. Group Records Higher Output

From Our Own Correspondent

MONTREAL.—Power Corporation of Canada's affiliated and subsidiary companies report a power output in October of 221,397,962 kw.h. This compares with 213,007,185 kw.h. in October last year, an increase of 3.9%.

Output in kilowatt hours of individual companies compares as follow:

	1939	1938
Southern Canada	26,122,450	19,978,770
Canada Northern	64,327,584	60,353,113
East Kootenay	8,244,920	8,996,268
B. C. Power	53,191,684	50,568,374
Northern B. C.	994,424	988,260
Winnipeg Electric	68,516,900	72,122,400



CANADIAN INDUSTRY NEEDS
Protective Floodlighting

In these times of emergency, Canadian business men are rapidly following the splendid example of Dominion and Provincial authorities—and protecting Canada's industrial properties. One of the most practical steps in this direction—a step which should be taken *immediately* by every plant owner or manager —is the floodlighting of buildings and yards. • To speed this necessary work, Amalgamated Electric offers an *Emergency Floodlighting Service.* Qualified lighting engineers will study your particular location and floodlighting needs, recommend the most practical type of installation and see that it goes into operation at once. • This important work is now going ahead from coast to coast in Canada. We suggest you protect your property *now* by taking advantage of this *Emergency Floodlighting Service.*

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Insurance

Set War Premiums For Life Policies

Uniform War Clauses Adopted by Most Companies in Canada — Civilians Given Wide Range of Travel Without Restrictions

By DONALD G. MACLEAN
Staff Writer, The Financial Post

Canada's life insurance business is operating smoothly under war conditions.

Certain provisions have been adopted regarding new policies. But the insurance in force before the outbreak of war, totalling over $6 billions, owned by four million policyholders remains unaffected. The companies have given assurance that contracts previously in force will be honored to the very letter.

Few of these old policies contain any clauses affecting the value of the policy if the insured goes to war. Most of those which do were issued during the last war or in the first year or two after hostilities ended. These provisions generally provide that if the insured goes on active service, the amount which the beneficiary can collect is restricted to a return of the premiums paid in, unless the policyholder has paid an extra premium according to the stated schedule. The proportion of the total existing insurance affected this way, howev[illegible]

[illegible] important exception. Total disability and double indemnity benefits, often added to the ordinary life insurance policy, are automatically terminated and the extra premiums therefor cease to be payable, if and when the policyholder engages in military, naval or aeronautic service, in time of war.

This provision for automatic termination of these benefits is not new, however, as it has been included in such policies for some years.

In regard to new insurance, a special war clause has been introduced. While necessarily adapted to the policy forms and practice of each individual company, it is believed that the war clauses of practically all companies doing business in Canada conform in principle.

Outside Canada and U. S.

The restrictions imposed do not become effective except in so far as aviation hazards are concerned so long as the insured remains in Canada or the United States even though he may engage in naval or military service. Nor is an extra premium required for travelling in any other part of North or South America. But if the policyholder engages in naval or military service outside Canada and the United States or travels outside North and South America, the death benefits payable on the policy become limited to a return of premiums with interest at 3%. He may, however, obtain coverage for the face value of the policy even though outside the preferred areas by payment of an extra premium specified by the company.

As regards aviation hazards, the death benefit is also limited to a return of premiums with interest, if the insured engages in aeronautics other than as a fare-paying passenger on a regular scheduled flight either within Canada and the United States or outside this area. The policyholder may, however, obtain full coverage by paying an extra premium so long as his service in the air force is confined to Canada or the United States. But this option is not available if the policyholder is in service in the air force outside of this area.

The companies are limiting the amount of insurance under which the extra premium option may be exercised.

The scale of extra premiums in use by most if not all of the life companies is as follows:

	Per $1,000 per annum
I. (a) Military Service — all branches except aviation services and Army Medical Corps	90
(b) Army Medical Corps., except nurses	40
(c) Nurses	25
II. Non-combatant units such as Salvation Army, Y.M.C.A., K. of C., etc.	40
III. Civilian Travel and Residence—	
(a) Within the area consisting of North and South America, the West Indies, The Bermudas and Newfoundland and the waters between same	No extra
(b) Travel to or residence in Europe, Africa, Asia and Australia	10x
IV. Naval and Marines Services:	
(a) Naval service excluding submarines	50xx
(b) Mercantile marine: The regular war clause excluding the section relating to travel should be included in these risks	25
V. Aviation service in Canada:	
(a) Groundsmen such as mechanics, repairmen, etc. The extra stated is intended to cover a groundsman while flying on duty but if his rank in the air service changes he will be required to notify the company and pay such extra premium as is required	10
(b) Student pilots	60
(c) Experienced pilots with 300 or more flying hrs.:	
(a) non-commissioned pilots	40
(b) pilot officers	40
(c) flying officers	35
(d) flying lieutenants	25
(e) squadron leaders	20
(f) wing commanders	15
(d) Crew, observers or photographers	35
X. Minimum charge, rate varying according to length of travel or residence number of trips, etc.	
XX. Minimum charge.	

As regards both war clauses and rate schedules, however, it is understood that if experience shows them to be necessary, changes in the different items may be expected.

Insurance Problems

Federated Hardware Mutuals

Please give me some information regarding the Federated Hardware Mutuals, as I am considering placing insurance with this company. I am particularly interested in whether the company is financially sound and safe to do business with, also if their reputation regarding settlement of losses is satisfactory. Do you consider it better to deal with a mutual or a stock company?

Federated Hardware Mutuals is the name under which two companies, the Hardware Dealers Mutual Fire Insurance Co. and the Minnesota Implement Mutual Fire Insurance Co., do business.

These companies are well established in Canada, having been operating under Dominion license since 1920. They have maintained the required deposits with the Receiver-General for the protection of Canadian policyholders. Being licensed by the Dominion Department of Insurance their operations are subject to its inspection and regulation.

The last annual statement of the companies shows them to be in a comfortable position. We are informed that their record has given no cause for complaint as regards settlement of losses or otherwise. As regards the question of mutual or stock companies, the determining factor usually is the management and resources of a company.

Empire Life

I would like to know something about the Empire Life Insurance Co., more particularly as to its financial standing.

The Empire Life Insurance Co. was organized in 1922 and started business the following year. It operates under an Ontario charter. At the close of 1938 it had insurance in force amounting to $37.9 millions up $2.3 millions over the previous year. Analysis of invested assets shows that Dominion of Canada bonds are the biggest single item. Bonds of the Dominion and provincial governments, municipalities, and corporations at the end of 1938 were 57.8% of the total. Operating under provincial license, the company's operations are open to the inspection of the Provincial Department of Insurance. Total assets have shown steady growth in recent years and at the end of 1938 were $9.4 millions.

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One of the World's Great Life Insurance Institutions.
Renowned for Strength, Service and Security Since 1871.

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WAWANESA
Mutual Insurance Co.
— ORGANIZED IN 1896 —
Assets $2,234,188.78
Surplus .. 1,057,853.38
INSIST ON SECURITY—Then place your insurance on the basis of Broad Coverage and Favorable Rate — and save money on your Fire Premiums.
Head Office: Wawanesa, Man.
Eastern Office: Toronto, Ont.
Branches at Vancouver, Edmonton, Saskatoon, Winnipeg, Montreal and Moncton
2,000 Agents Across Canada

FIDELITY
Insurance Company of Canada
TORONTO

Insurance Notes

Over 3,100 individual sales were made by Great West Life Assurance Co. in November. Top honors for individual achievement were shared by A. H. Thorndycraft of Winnipeg, and A. S. Boxer and J. W. Harris both of Saskatoon. Winnipeg, under the direction of P. V. Bond, and Saskatoon, under the management of J. Carver, Jr., led all other agencies in the company in the contest.

* * *

C. J. Malcolm, special agent for Ontario and Quebec of the Aetna Insurance Co., has been appointed assistant manager of the Canadian department of the company according to an announcement by President W. Ross McCain. Mr. Malcolm has been associated with the Aetna about 19 years. Since 1933 he has been serving as special agent for the Aetna and also for its subsidiary the World Fire and Marine Ins. Co. He has been the Aetna's official representative in the Canadian Underwriters Association. His headquarters will continue to be at Toronto where the Aetna's Canadian office is located. Robert H. Leckey is Canadian manager.

* * *

War drums have not deterred Dan Cupid. The number of marriages in Canada is showing a tremendous increase. Births too are more numerous. As marriages and births are regarded as good sources for prospect lists for life insurance salesmen, the outlook seems to be brightening.

In October marriages in 67 cities and towns in Canada numbered 7,297, an increase of 58½% over last year September showed a gain of 68½% over 1938.

Births registered in October in the same cities numbered 7,300, a gain of 7% over last year while in September the increase was 3%.

* * *

The Wapiti Insurance Co. with head office at Wawanesa, Man., has been purchased by the Wawanesa Mutual Insurance Co., Dr. C. M. Vanstone, managing director of the latter company, announces. The two companies have been operating under joint management. The Wapiti, it is stated, was organized primarily to reinsure excess lines for the Wawanesa and the directors having now made satisfactory reinsurance arrangements with British insurers decided to retire the Wapiti from the insurance field. All contracts will be reinsured in the Wawanesa.

* * *

The Canada Life Assurance Co. announces the appointment of W. J. Adams, D. M. Ellis, and J. N. Laing, as mathematicians with the company. The three appointees are Fellows of the Actuarial Society of America.

British Columbia Taxes Unlicensed Insurance

From Our Own Correspondent

VANCOUVER.—Legislation passed by the British Columbia Legislature at its recent session, included an amendment to the Insurance Act, requiring persons insuring with an unlicensed insurer, in the province, to pay a 5% tax on the amount of the premium.

This is to reimburse the Government for the fact that the unlicensed brokers or companies do not pay taxes on premiums collected.

The amendments further stipulate that "an agreement, express or implied, contained in a contract of life insurance for the payment of insurance money in the event that the insured commits suicide shall be lawful and enforceable."

Pay Off Sun Life Co. For Doukhobor Lands

From Our Own Correspondent

VANCOUVER. — At the recent session of the British Columbia Legislature, the Government was authorized to take over the lands occupied by Doukhobors in the province and which Sun Life Assurance Co. has been seeking to repossess by foreclosure.

The arrangement is that the Government will pay off the amounts owing to Sun Life, to which the Doukhobors had mortgaged their lands. The Government, in turn, will sell the land to the Doukhobors as individuals rather than as a community and insist on regular payments.

Sun Life did not desire to take over the land provided that some equitable adjustment could be made.

Excelsior Life Applies For Dominion Charter

The Excelsior Life Insurance Co. has made application for a Dominion charter. The company has been operating since organization under an Ontario charter although with a Dominion license and on a Dominion-wide scale.

Company Reports

Southern Canada Power

Maintenance of earnings and of working capital is shown in the annual report of Southern Canada Power Co. for the year ended Sept. 30, 1939.

Gross income for the year totalled $2,420,006, as against $2,364,425 in the preceding year. Higher operating expenses and depreciation reduced the income available for common dividends to $356,182, compared with $363,132 the year before. Earnings on the common stock were equal to 89c. a share as against 90c. in 1938.

The principal change among the balance sheet items is an increase of cash on hand from $336,042 to $604,512 and a decline in the book value of miscellaneous investments from $2,412,472 to $2,141,568. Working capital remains much the same.

Comparative figures on the profit and loss account follow:

Year Ended Sept. 30	1939 $	1938 $
Electric revenue	2,272,096	2,190,933
Misc. revenue	147,910	173,492
Gross earnings	2,420,006	2,364,425
Less: Exp., taxes, etc.	1,063,168	1,007,186
Bond interest	290,844	293,671
Depreciation	280,878	*271,502
B. D. reserve	3,600	3,600
Net profit	781,516	788,466
Less: Pfd. dividends	425,334	425,334
Com. dividends	319,804	319,751
Surplus for year	36,378	43,381
Add: Prev. surplus‡	403,289	359,908
Surplus forward	439,667	403,289
Current liabilities	994,003	864,949
Earn. on preferred	$11.02	$11.12
Earn. on common	$0.89	$0.90

*Including amortization. ‡As adjusted.

Working Capital	1939 $	1938 $
Current assets	3,383,062	3,398,959
Current liabilities	692,563	679,932
Working capital	2,690,499	2,719,027

Canadian Breweries

Preliminary report of Canadian Breweries Ltd. for the year ended Oct. 31, 1939, shows earnings at record levels. Dividends of $2 a share were again paid on the preference, leaving arrears at $6.25 a share after the payment made Oct. 2, 1939.

E. P. Taylor, president, states that "business is showing improvement and the outlook for the future continues to be favorable."

Quarterly Earnings

Three Months Ended Oct. 31	1939 $	1938 $
Net oper. profit	471,774	352,829
Add: Other income	32,044	65,147
Total income	503,818	417,976
Less: Depreciation	104,174	105,925
Interest	22,814	25,656
Net profit*	376,830	286,368

*Subject to provision for minority interest and income taxes.

Times Interest Earned:		
Before deprec.	22.08	16.29
After deprec.	17.52	12.16

Twelve Months' Earnings

Twelve Months Ended Oct. 31	1939 $	1938 $
Net oper. profit	1,203,957	1,129,943
Add: Other income	93,354	93,568
Total income	1,297,311	1,223,511
Less: Depreciation	449,683	474,767
Interest	102,490	102,049
Income taxes	165,044	142,083
Net profit	580,094	504,612
Less appropriations:		
Minority interest	60,806	68,505
Net avail for pref. stk.	519,288	436,107
Times Interest Earned:		
Before deprec.	12.66	11.99
After deprec.	8.27	7.34
Earns. per Share and Divd. Record:		
Preferred: Earned	$3.18	$2.67
Paid	2.00	2.00
Common: Earned	$0.04	d$0.08
None paid.		

Working Capital	1939 $	1938 $
Current assets	2,890,994	2,714,040
Current liabilities	974,528	1,307,007
Working capital	1,916,466	1,407,033

Balance Sheet Items	1939 $	1938 $
Cash	469,468	368,655
Investments	352,361	296,020
Invest. in & advs. to affil. cos.	140,026	81,624
Bank loans	229,929	632,717
Mortgages payable	24,400	34,600
Debentures o/s	1,700,000	1,200,000

Can. Industrial Alcohol

Canadian Industrial Alcohol Co. reports consolidated income for the year ended Aug. 31, 1939, on a moderately better basis than in the preceding 11 months. Net working capital position shows a reduction of nearly $600,000 which is reflected in redemption of more than $800,000 of 5% debentures.

Total operating income was $503,055, as against $548,193 in the 11 months ended Aug. 31, 1938. Net profit of $204,348 was equivalent to 19c. a share on the combined class A and B stock, as against 15c. a share before inventory write-off.

The balance sheet shows among liabilities a bank loan of $264,000, compared with $63,535 last year. The increase is due to the purchase by the McNish Co. of matured whiskies to build up its inventory position. Outstanding 5% debentures were reduced from $895,277 to $63,743. On the asset side of the balance sheet cash shows a substantial improvement. Book value of investments is off from $838,286 to $405,171. Accounts receivable totalled $560,377 as against $1,058,421 a year ago. Stocks of spirits are valued at $2,584,312; raw materials and supplies, $293,317. A year ago spirits were valued at $2,332,226 and raw materials and supplies $345,855.

Comparison of consolidated profit and loss accounts for the past two years follow:

Income and Surplus Account

Years Ended Aug. 31	1939 $	*1938 $
Domestic business	426,660	365,999
Foreign business	24,865	90,623
McNish Co.	23,663	31,921
Other income	27,866	59,649
Total revenue	503,055	548,192
Less: Interest on loans	5,231	1,609
Exec. salaries	29,839	48,646
Directors' fees	3,493	3,653
Legal expenses	14,088	18,225
Debent. interest	8,463	107,867
Depreciation	150,931	148,872
Income taxes	69,662	54,116
Invent. adjust.	......	84,379
Net profit	212,348	81,525
Less: Dividends	111,191	......
Surplus	101,157	81,525
Previous surplus	1,062,017	884,952
Add: Net adjusts.	203,443	95,540
Surplus forward	1,154,267	1,062,017

Working Capital	1939 $	1938 $
Current assets	4,433,056	4,911,736
Current liabilities	994,003	864,949
Working capital	3,439,053	4,046,787

Loew's London

Loew's London Theatres Ltd. reports net profit of $11,816 in the 53 weeks ended Aug. 31, as compared with $15,722 in the year ended Aug. 25, 1938. This was equivalent to earnings on the 7% preferred stock of $10 par value of 35 cents and 47 cents, respectively.

Dividends paid during the year amounted to 17½ cents, compared with payments of 70 cents in the preceding year. Dividends have been paid to Dec. 31, 1934. Arrears at Sept. 30 totalled $3.32½.

Income and Surplus Account

	53 wks. ended Aug. 31 1939 $	52 wks. ended Aug. 25 1938 $
Theatre Revenue:		
Ticket receipts	147,998	142,416
Sundry revenue	269	137
	148,267	142,553
Less: Theatre exp.	27,044	24,621
Salaries & wages	28,159	25,455
Films	50,012	50,323
Net theatre rev.	43,052	42,154
Add: Other inc.	842	1,014
Total revenue	43,894	43,168
Less: Taxes & ins.	12,446	12,727
General exp.	3,689	3,797
President's remun.	500	467
Repairs & renews.	475	2,579
Net earnings	26,784	23,599
Less: Depreciation	8,181	3,529
Renovations w/o	3,015	......
Movietone w/o	1,305	1,212
Income tax	2,467	3,136
Net profit	11,816	15,722
Less: Pref. divds.	5,905	23,619
Surplus for year	5,911	*7,897
Add: Prev. surplus	6,633	14,530
Prof. on assets sale	680	......
Surplus forward	13,224	6,633
Earnings per Share:		
Pref.: Earned	0.35	0.47
Paid	0.17½	0.70

Working Capital		
Current assets	38,029	67,298
Current liabilities	7,996	26,295
Working capital	30,033	41,003

Guelph Carpet

A general increase in business in the year ended Sept. 30, trebled the net profit of Guelph Carpet & Worsted Spinning Mills Ltd. from the low level of the previous year. Earnings of $2.04 are shown on the common shares, compared with seven cents in the preceding year.

While business in the first 10 months of the year was better than in the same period of the preceding year, a sharp upturn in the last two months of the fiscal year accounted for the substantially increased earnings.

H. Quarmby, president, told shareholders that:

"For the 10 months ended July 31 demand for the company's products was greater than during the corresponding period of the preceding year. In August a further increase was evident, and in September the demand became acute owing to the declaration of war. Since then activity has continued, but will shortly be curtailed seriously unless present difficulties in obtaining certain qualities of wool and wool tops are removed."

The president reports that employees were given an increase in wages of 10% on Nov. 1, which will increase operating costs of the company by about $50,000 a year at the present rate of plant activity.

Income and Surplus Account

Years Ended Sept. 30	1939 $	1938 $
Net earns. from oper.	169,486	81,268
Less: Depreciation	44,084	40,584
Net oper. profit	125,402	40,684
Add: Other income	1,655	3,321
Less: Taxes	23,000	9,000
Net profit	104,057	35,005
Less: Pref. divds.	32,500	32,500
Com. divds.	35,000	35,000
Surplus for year	36,557	*32,495
Add: Prev. surplus	87,356	119,851
Surplus forward	123,913	87,356

* Loss or deficit.

Earnings per Share:		
Pref.: Earned	20.81	7.00
Paid	6.50	6.50
Com.: Earned	2.04	0.07
Paid	1.00	1.00

Working Capital		
Current assets	799,124	764,415
Current liabilities	62,499	71,325
Working capital	736,625	693,090

Marcus Loew's Theatres

Marcus Loew's Theatres, Ltd., Toronto, reports net profits for the year ended Aug. 30, 1939, at practically the same level as for the preceding year. The company paid off dividends aggregating $29.75 a share on its 7% preferred during the past year leaving arrears at $14 a share.

Annual meeting is to be held in Toronto on Dec. 15, 1939.

Income and Surplus Account

	Year ended Aug. 30 1939 $	Year ended Aug. 31 1938 $
Net oper. profit	203,160	201,158
Less: Depreciation	39,606	39,606
Organ. exp. w/o	6,000	......
Executive salaries	9,000	9,150
Secret. & legal fees	1,550	1,500
Income taxes	25,997	25,355
Net profit	121,007	125,547
Add: Prev. surplus	822,262	753,931
Less: Pref. divd. paid	194,535	57,216
Surplus forward	748,733	822,262
Earned per Share:		
Pref.: Earned	$18.50	$19.20
Paid	29.75	8.75
Com.: Earned	$10.00	$10.64
None paid.		
Shares Outstanding:		
Preferred, $100 par	6,539	6,539
Common, $100 par	7,500	7,500

Working Capital	$	$
Current assets	378,700	400,550
Current liabilities	34,906	30,011
Working capital	343,794	370,539

Nat. Sewer Pipe

In the year ended Oct. 31, National Sewer Pipe Co. reduced its net loss slightly to $29,026 from $29,776 in the previous year.

Ryland H. New, president, states in the annual report that shareholders desiring to know what effect war will have on the company's business, will note that Dominion Bureau of Statistics shows that total sales of the industry for the year 1915-18 were 78.15% of the total for the years 1911-14. Mr. New says that from this "it may reasonably be assumed that the company's sales volume will be reduced for the duration of the present war."

The company has not paid dividends on its class A stock since Dec. 15, 1933, and arrears amounted to $13.80 a share at Sept. 15, 1939.

Income and Deficit Account

Years Ended October 31	1939 $	1938 $
Net loss on oper.	39,035	42,272
Less: Other revenue	10,009	12,496
Net loss	29,026	29,776
Add: Prev. deficit	161,257	131,481
Deficit forward	190,283	161,257

Working Capital		
Current assets	853,497	884,162
Current liabilities	37,150	15,593
Working capital	816,347	868,569

Why Canada is Healthier...
AND HOW YOU CAN HELP TO KEEP IT THAT WAY

YESTERDAY
1909—Thirty years ago in an average community tuberculosis was the leading cause of death. Such other diseases as typhoid fever, scarlet fever, diphtheria, whooping cough, and measles were also common causes of death. The annual toll of fatalities from preventable causes was entirely too high.

Today
1939—During the past three decades, the death rate for tuberculosis, according to latest available figures, has declined more than 66%; for influenza and pneumonia, 24%; for measles, 87%; for whooping cough, 59%; for diphtheria, 90%; for scarlet fever, 87%.

CANADIANS BORN TODAY HAVE, on the average, a prospect of living ten years longer than those born a generation ago.

More people now live to see their heart disease, cancer, or syphilis completely cured or checked.

Tens of thousands are enjoying years of life they would have been deprived of a generation ago by diabetes, pernicious anemia, or tuberculosis.

Progressive Canadian communities have banished diphtheria, typhoid fever, smallpox as public hazards—and every community can! Safety education has created safer environments in homes and factories, and helped reduce accidents.

▶ Why is Canada so much healthier?

Because a tireless, eminently capable body of men and women—medical and public-health workers, and those engaged in safety work—have within one lifetime so brilliantly extended our defenses against disease and causes of death.

They have discovered the causes of many diseases and have produced effective vaccines and serums for their prevention and treatment. They have safeguarded our milk, water, and food supplies and the very air we breathe. They have helped us establish efficient health departments.

▶ How can you help Canada to maintain its enviable health record?

First of all, by guarding your own health — having regular medical check-ups and seeing your doctor promptly in the event of sickness. Second, by concerning yourself with the efficiency of your community's health services. And third, by giving your support, whenever you have the chance, to the cause of better local health conditions.

METROPOLITAN LIFE INSURANCE COMPANY
NEW YORK
FREDERICK H. ECKER, Chairman of the Board
LEROY A. LINCOLN, President
CANADIAN HEAD OFFICE—OTTAWA
SERVING CANADA SINCE 1872

Crown Life Progress reflects Public Approval
CROWN LIFE INSURANCE COMPANY
Established 1900
Home Office Toronto

CONTINENTAL LIFE FOUR SQUARE
Four Square Protection for Yourself and Family
Total Payments to Policyholders and Beneficiaries Since Incorporation Exceed $12,000,000.00
75% of which was paid to living policyholders
A CANADIAN COMPANY ESTABLISHED 1899
President JOHN W. HOBBS
Managing Director NEWTON J. LANDER

Position of Chartered Banks of Canada as of October 31, 1939, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation $	Deposits by and Bal. Due to Dominion Government $	Deposits by and Bal. Due to Provincial Governments $	Advances from Bank of Canada $	Demand Deposits in Canada $	Savings Deposits in Canada $	Deposits Elsewhere, $	Bal. due to other banks in Canada $	Due to Banks in U.K. $	Due to Banks Elsewhere $	Bills Payable $	Letters of Credit outstanding $	Other Liabilities $	Dividends Declared and unpaid $	Reserve Fund $	Capital Paid Up $	Total Liabilities $
Montreal	21,767,292	75,106,480	18,822,632	....	221,867,702	457,224,934	122,683,419	3,410,286	6,306,646	9,486,947	172,632	7,914,256	3,739,690	739,745	39,000,000	36,000,000	1,024,242,667
Nova Scotia	8,967,781	18,000,183	1,172,680	....	53,448,863	156,743,993	51,640,278	1,577,573	1,826,861	1,588,384	16,669	6,713,922	33,300	12,485	24,000,000	12,000,000	337,737,979
Toronto	3,794,144	11,362,871	776,170	....	39,344,607	86,552,346	335,716	505,892	926,643	1,346,957	....	1,524,051	....	150,434	9,000,000	6,000,000	161,619,833
Provinciale	2,775,710	3,341,906	1,150,146	....	7,271,031	40,060,738	166,078	205	....	3,941,098	....	155,613	16,146	3,674	1,000,000	4,000,000	63,882,350
Commerce	15,928,954	50,990,218	13,876,053	....	178,387,475	237,042,469	70,403,556	870,907	3,445,931	7,691,815	10,401	15,607,861	....	612,298	20,000,000	30,000,000	744,867,943
Royal	26,127,060	55,337,691	7,828,291	....	206,650,708	344,939,859	237,215,838	258,799	2,236,322	12,508,475	194,465	17,029,000	....	723,672	20,000,000	35,000,000	966,050,186
Dominion	5,322,171	10,653,340	2,934,043	....	40,151,515	79,437,299	3,725,798	2,404,541	222,712	411,846	....	2,856,128	506,244	176,062	7,000,000	7,000,000	162,801,705
Nationale	4,907,294	9,913,275	686,615	....	28,738,400	102,270,393	1,329,196	1,299,351	207,573	458,245	11,155	828,231	88,826	144,934	5,000,000	7,000,000	162,883,492
Imperial	5,307,515	12,006,061	10,327,135	....	41,758,706	97,235,304	243,543	1,023,200	1,352,765	1,511,800	....	1,351,836	....	176,326	8,000,000	7,000,000	187,294,195
Barclays (Canada)	412,530	2,130,522	38,949	....	4,098,071	7,649,439	4,528,145	72,770	3,556,153	2,406,763	12,374	46,768	....	....	750,000	1,500,000	27,202,487
Total	95,310,451	248,842,547	57,612,714	....	821,717,078	1,709,156,774	492,271,567	11,423,524	20,081,606	41,347,330	417,696	54,027,666	4,384,206	2,739,630	133,750,000	145,500,000	3,838,582,837

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized $	Capital Subscribed $	Last Dividend %	*Loans to Directors and firms of which they are Partners $	Average Notes and Deposits with Bank of Can. $	Greatest amount of Notes in Circ. $
Montreal	50,000,000	36,000,000	8	447,688	93,405,877	23,304,267
Nova Scotia	15,000,000	12,000,000	12	5,002,185	24,363,000	9,146,882
Toronto	10,000,000	6,000,000	10	576,330	16,005,531	4,004,604
Provinciale	5,000,000	4,000,000	6	160,957	4,467,796	3,062,650
Commerce	50,000,000	30,000,000	8	1,143,218	58,490,080	17,228,754
Royal	50,000,000	35,000,000	8	1,386,507	52,420,839	27,846,613
Dominion	10,000,000	7,000,000	10	467,031	14,070,891	5,322,171
Nationale	10,000,000	7,000,000	8	417,748	12,515,634	5,099,664
Imperial	10,000,000	7,000,000	10	596,436	10,763,341	5,307,515
Barclays (Canada)	1,500,000	1,500,000	....	5,361	2,184,156	447,155
Total	211,500,000	145,500,000	....	10,203,461	288,687,145	100,830,275

▲Of this amount, $88,141,665 represents deposits in Canada in currencies other than Canadian, carried under demand and savings deposits in Canada, prior to Aug., 1935. *And loans for which they are guarantors.

Note—The return of The Dominion Bank for September 30, 1939, should have shown the aggregate amount of loans to directors, and firms of which they are partners, and loans for which they are guarantors, at $520,696.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada $	Gold and Subsidiary Coin Held Elsewhere $	Notes of Bank of Canada $	Deposits with Bank of Canada $	Notes of Other Banks $	Govt. and Bank Notes other than Canada $	Cheques on other banks $	Balances due from other banks in Canada $	Due by banks in U.K. $	Due by banks elsewhere $	Govt. sec. short term $	Govt. sec. long term $	Canadian municipal securities $	Public sec. other than Can. $
Montreal*	1,006,235	90,044	17,706,695	75,328,187	1,358,636	510,292	27,886,126	....	2,030,261	75,330,003	221,953,939	213,851,371	23,855,400	26,310,899
Nova Scotia	323,533	1,481,088	5,048,110	17,699,226	409,995	7,755,463	12,243,332	....	5,825,727	14,227,747	34,929,801	71,821,760	11,977,938	917,011
Toronto	221,416	....	2,923,766	11,223,731	200,320	87,804	6,636,334	....	821,051	3,354,514	13,430,760	52,515,745	6,015,831	....
Provinciale	206,441	....	1,748,268	3,684,425	220,045	62,112	2,102,892	100	20,645	200,692	13,226,703	5,424,844	11,810,441	....
Commerce†	742,783	368,590	11,813,273	54,702,236	766,012	1,102,476	18,038,486	....	3,910,404	34,384,782	118,905,181	116,194,908	9,550,149	31,081,680
Royal‡	1,086,626	3,893,073	13,791,175	39,647,557	1,125,099	24,479,032	28,919,149	4,621	13,288,947	56,114,521	149,171,657	167,368,541	8,214,292	23,749,933
Dominion	212,094	398	2,843,114	13,388,790	431,020	140,295	6,755,205	....	457,042	3,268,571	19,203,874	35,045,733	3,638,046	....
Nationale§	431,100	325	4,514,756	6,956,595	470,870	96,451	6,852,614	695,735	24,846	1,549,833	14,956,129	22,638,308	16,650,885	237,112
Imperial	317,324	....	5,267,915	9,123,625	317,400	55,227	7,265,789	629,759	732,943	2,502,032	26,128,054	43,848,582	6,196,598	....
Barclays (Can.)	2,663	....	78,157	2,365,258	2,525	10,495	939,793	1,959,572	2,668,742	3,083,130	5,500,384	7,670,851	4,075	....
Total	4,550,215	5,833,518	65,735,229	234,119,630	5,301,922	34,299,647	117,639,720	3,289,787	29,780,608	194,015,825	617,406,482	736,380,643	97,913,655	82,296,635

NAME OF BANK	Other bonds and stocks $	Call and short loans in Canada $	Call and short loans elsewhere $	Current loans in Canada $	Current loans elsewhere $	Loans to provincial governments $	Loans to municipalities $	Non-Current loans $	Real estate other than Bank premises $	Mortgages on real estate $	Bank Premises $	Deposit for note circulation $	Other assets $	Total assets▲ $
Montreal*	31,669,776	4,573,822	19,142,173	201,350,710	17,573,988	982,288	85,730,529	1,624,211	569,702	504,015	13,900,000	1,127,794	1,627,001	1,025,508,367
Nova Scotia	12,770,798	4,541,076	1,328,442	96,985,699	14,503,782	1,301,064	6,636,339	496,089	....	87,981	6,156,678	472,200	2,666,980	339,321,795
Toronto	4,543,418	1,873,032	....	48,429,784	....	....	6,192,716	353,917	....	26,068	3,459,030	201,927	....	164,035,223
Provinciale	2,014,207	3,509,839	....	13,335,248	....	431,396	2,796,355	74,528	564,471	339,629	2,080,567	149,637	130,757	64,289,865
Commerce†	26,106,832	12,685,597	10,435,833	201,774,851	22,591,279	8,206,041	20,480,045	2,937,550	2,475,053	1,358,984	14,521,215	907,000	4,001,630	745,650,744
Royal‡	40,686,548	11,941,260	12,928,023	214,631,707	92,493,215	3,089,100	20,326,361	2,717,287	2,368,969	762,010	14,837,481	1,380,000	4,398,349	970,443,546
Dominion	2,761,663	3,360,429	2,398,947	58,396,413	493,407	....	1,635,966	191,751	67,307	54,159	5,569,000	272,695	197,047	163,639,105
Nationale§	7,140,903	5,309,501	10,000	51,355,824	6,947	3,856,909	11,375,829	255,830	1,561,214	582,766	5,568,325	258,718	216,755	164,403,326
Imperial	35,863	5,200,024	....	64,080,745	....	587,928	7,393,783	250,243	143,084	340,867	5,850,776	273,843	65,577	187,950,829
Barclays (Can.)	....	450,044	....	1,955,688	....	....	....	8,923	....	....	450,000	18,756	....	27,215,831
Total	127,730,008	53,444,624	46,243,418	952,296,669	147,662,618	18,454,726	112,567,923	8,910,329	7,749,800	4,056,479	72,393,072	5,062,570	13,304,096	3,852,467,631

*The business of the Bank in San Francisco, U.S.A., is carried on under the name of a locally incorporated company and the figures are incorporated in the above Return.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale (France), same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

▲Total assets include $54,027,666 letters of credit outstanding as shown in liabilities.

War-Time Foreign Exchange Problems

War-time conditions have brought in Foreign Exchange Control. Regulations promulgated in the Canada Gazette on September 15th affect nearly all business, directly or indirectly. If in doubt as to procedure under the new regulations, consult any branch manager of the Bank. If he doesn't know the answer, he will find out from Head Office.

Revisions of the regulations are being made from time to time as the situation demands. By keeping in touch with Imperial Bank officers you will be informed as to the significance of these changes, and the steps necessary to conform with them.

IMPERIAL BANK OF CANADA
Head Office: TORONTO
BRANCHES THROUGHOUT CANADA
252

THE MONARCH LIFE ASSURANCE COMPANY
ESTABLISHED 1906
A STRONG PROGRESSIVE COMPANY
OFFICES FROM COAST TO COAST

INSURE WITH The EXCELSIOR LIFE INSURANCE COMPANY
A STRONG CANADIAN COMPANY
Head Office TORONTO

CANADIAN WRIGHT
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For
Wright Aeroplane Engines
ASSEMBLING OVERHAULS
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•
HEAD OFFICE AND WORKS
6259 Notre Dame St. East, MONTREAL

Banking

Commercial Loans Near 1932 Figures

Reach Highest Level in 7 Years — Gain $125.9 Millions Since Outbreak of War — Financial Post Credit Index Rises

Rise of commercial bank loans in Canada to $952 millions, the highest level in nearly 7 years, features the return of the Canadian chartered banks to the Minister of Finance for October. As commercial loans are regarded as an important business barometer, the increase is significant.

Compared with the previous month, and last year, gains of $60.8 millions and $104 millions respectively are seen. For September and October the first two months of the war, the total increase amounts to $125.9 millions.

Current loans of the different banks on October 31 showed the following changes.

Changes from Sept. 30
(Millions of dollars)

Montreal	+15.7	Royal	+12.5
Nova Scotia	+3.5	Dominion	+7.4
Toronto	+4.5	Nationale	—0.4
Provinciale	—0.6	Imperial	+0.6
Commerce	+17.5	Barclays	—0.02

Changes from Aug. 31
(Millions of dollars)

Montreal	+26.7	Royal	+25.8
Nova Scotia	+12.1	Dominion	+11.6
Toronto	+7.8	Nationale	+0.7
Provinciale	—0.2	Imperial	+6.4
Commerce	+34.8	Barclays	+0.2

Two main factors contributed to the increase, the war demand for merchandise of all kinds and the large wheat crop.

A year ago the demand for bank credit was stimulated materially by the crop movement. But this year the crop was more than a third greater and the amount of credit required to move it was accordingly all the heavier. The improved business in the West resulting from the crop also meant a better demand for loans. On top of this came the greater industrial activity owing to production of war materials, accumulation of inventories and in some cases higher prices. The percentage of current loans to total deposits rose to 37.6% at Oct. 31 compared with 35.2% last year and 36.3% on Sept. 30. Call loans gained $2.3 millions on the month, but were $12.6 millions under those of Oct., 1938.

Interest rates do not show much change. On current loans it is understood they vary from around 4½% to 7% while call loans rates are around 5%. Wheat loans to the Dominion Government, it is understood, are around 3% and to private interests 3½% on grain stored in terminal elevators.

Loans to municipalities were lower in both the monthly and yearly comparison, indicating an improvement in their financial position. Borrowing by the provinces, while higher than in the preceding month, was lower than a year ago.

Investments at $1,661 millions were $160 millions higher than in the previous month and $253 millions above last year. The increase was almost entirely in short-term issues, which rose during the month by $170 millions.

Note circulation of the chartered banks at $95.3 millions was down $4.8 millions from September and down $5.8 millions from a year ago.

Use of Bank Credit in Canada
(In Millions of Dollars)

	October 1939	September 1939	Change	October 1938	Change
	$	$	$	$	$
Loans	1,136.7	1,070.7	+66.0	1,051.6	+85.1
Investments	1,661.7	1,501.8	+159.9	1,408.9	+252.8
Total	2,798.4	2,572.5	+225.9	2,460.5	+337.9
Deposits	2,530.9	2,455.7	+75.2	2,405.1	+125.8
Credit index*	39.7%	38.4%	1.3%	38.0%	1.7%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

ASSETS

	October 1939	September 1939	Change	October 1938	Change
Immediately Available Liquid Assets					
	$	$	$	$	$
Canadian coin	4,550,215	4,373,417	+176,798	5,201,334	—651,119
Bk. of Can. notes	65,735,229	54,037,977	+11,697,252	57,383,287	+8,351,942
Bk. of Can. depos.	234,119,630	221,023,344	+13,096,286	228,459,996	+5,659,634
Bank's cash	304,405,074	279,434,738	+24,970,336	291,044,617	+13,360,457
Other bank notes	5,301,922	4,746,465	+555,457	7,140,785	—1,838,863
Gold & sub. coin abd.	5,833,518	5,684,311	+149,207	5,048,604	+784,914
Foreign banks	223,796,433	221,521,874	+2,274,559	143,588,047	+80,208,386
Foreign curr.	34,299,647	33,779,857	+519,790	30,485,182	+3,814,465
Gov. sec. short term	617,406,482	446,436,928	+170,969,554	451,235,513	+166,170,969
Do., long term	736,380,643	732,896,698	+3,483,945	668,909,262	+67,471,381
Call loans abroad	46,243,418	52,063,655	—5,820,237	51,595,802	—5,352,384
	1,973,667,137	1,776,564,526	+197,102,611	1,649,047,812	+324,619,325
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	97,913,655	100,965,176	—3,051,521	95,618,811	+2,294,844
Public secs.‡	82,296,635	90,333,886	—8,037,251	69,284,641	+13,011,994
Other secs.	127,730,008	131,229,012	—3,499,004	123,873,950	+3,856,058
Can. call loans	53,444,624	51,167,663	+2,276,961	66,076,260	—12,631,636
Current loans	952,296,669	891,421,126	+60,875,543	848,217,597	+104,079,072
Loans abroad	147,662,618	147,696,966	—34,348	142,081,384	+5,581,234
Prov. loans	18,454,726	15,530,132	+2,924,594	22,847,915	—4,393,189
Mun. loans	112,567,923	112,581,442	—13,519	114,527,417	—1,959,494
	1,592,366,858	1,540,925,403	+51,441,455	1,482,527,975	+109,838,883
Other Assets					
Non-curr. loans	8,910,329	9,067,655	—157,326	9,432,517	—522,188
Real estate	7,749,800	7,863,783	—113,983	8,214,712	—464,912
Mortgages	4,056,479	4,181,065	—124,586	4,180,516	—124,037
Premises	72,393,072	72,188,368	+204,704	73,292,115	—899,043
Letters of credit	54,027,666	54,604,359	—576,693	58,562,632	—4,534,966
Loans to comp.	11,461,684	11,283,776	+177,908	11,519,526	—57,842
Other assets	1,842,529	2,056,401	—213,872	1,790,076	+52,453
	160,441,559	161,245,407	—803,848	166,992,094	—6,550,535
Total	3,726,475,554	3,478,735,336	+247,740,218	3,298,567,881	+427,907,673
Note circ. dep.	5,062,570	5,058,635	+3,935	5,470,843	—408,273
Int. bank bal.	120,929,507	120,976,784	—47,277	119,948,571	+980,936
Gross	3,852,467,631	3,604,770,755	+247,696,876	3,423,987,295	+428,480,336

LIABILITIES

	October 1939	September 1939	Change	October 1938	Change
To the Public					
Circulation	95,310,451	100,184,603	—4,874,152	101,188,747	—5,878,296
Dom. Govt.	248,842,547	74,823,803	+174,018,744	31,107,742	+217,734,805
Prov. Govt.	57,612,714	52,424,404	+5,188,310	43,566,965	+14,045,749
Advances	....	....	....	5,000,000	—5,000,000
Deposits by Public					
Demand dep.	821,717,078	763,496,393	+58,220,685	749,356,786	+72,360,292
Savings dep.	1,709,156,774	1,692,112,655	+17,044,119	1,655,782,101	+53,374,673
Total	2,530,873,852	2,455,609,048	+75,264,804	2,405,138,887	+125,734,965
Foreign dep.	492,271,567	490,094,254	+2,177,313	419,061,412	+73,210,155
Due to Banks Abroad, Etc.					
United Kingdom	20,081,606	15,480,849	+4,600,757	10,308,035	+9,773,571
Foreign	41,347,330	44,359,644	—3,012,314	37,971,811	+3,375,519
Bills payable	417,696	475,234	—57,538	338,447	+79,249
Letters of credit	54,027,666	54,604,359	—576,693	58,562,632	—4,534,966
Other liabs.	4,384,254	3,786,918	+597,336	3,695,788	+688,466
Total pub. liabs.	3,545,169,683	3,291,843,116	+253,326,567	3,115,940,466	+429,229,217
Due bet. banks	11,423,524	11,665,535	—242,011	13,542,703	—2,119,179
Liability to Shareholders					
Dividends	2,739,630	1,425,433	+1,314,197	2,556,395	+183,235
Reserve	133,750,000	133,750,000	....	133,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,838,582,837	3,584,184,084	+254,398,753	3,411,289,564	+427,293,273

‡Other than Canadian.

BANK DIRECTOR

At the annual meeting of the Bank of Montreal this week, Robert A. Laidlaw (above), secretary-treasurer and director of the R. Laidlaw Lumber Co., Toronto, and Hon. C. A. Dunning were elected directors.

Weekly Statement Bank of Canada

An increase of $12 millions in reserves of sterling and United States currency was the main feature of the Bank of Canada's statement for the week ended Nov. 29. Holdings of short term government bonds were down $4 millions, while long term issues were up slightly. Deposits of the Dominion Government were $9 millions higher, possibly reflecting receipts for foreign exchange.

Note circulation showed a decline of about $600,000.

Balance Sheet

	Nov. 29 1939	Nov. 22 1939
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	222,300,586	222,915,074
Rest fund	1,903,515	1,903,515
Depos.: Dom.	56,903,494	47,884,951
Banks	222,083,570	223,607,191
Other	21,166,592	20,590,875
Total deposits	300,153,656	292,083,017
All other liabs.	6,128,442	6,309,445
Total liabs.	535,486,199	528,211,051
Assets		
Reserve: Gold	225,674,987	225,674,987
Res. in sterling and U. S.	60,707,227	48,949,159
Other curr.	564	1,446
Total reserve	286,382,778	274,625,592
Subsidiary coin	110,205	154,014
Investments:		
Dom. govt. short	198,462,135	202,710,460
Other Dom. govt.	46,208,637	45,932,612
Total invest.	244,670,772	248,643,072
Premises	1,681,857	1,681,857
All other assets	2,640,587	3,106,516
	535,486,199	528,211,051
Reserve ratio	54.81%	53.32%

Weekly Bank Clearings

	Nov. 30 1939	Change Year Ago	Nov. 23 1939
	$	%	$
Halifax	2,573,011	+9.5	3,218,433
Saint John	1,652,678	+16.7	1,991,343
Moncton	857,081	+26.3	876,533
Sherbrooke	716,721	—6.9	722,765
Quebec	4,562,418	+2.3	4,947,537
Montreal	96,017,627	—16.1	103,647,439
Ottawa	18,262,010	+23.0	23,112,250
Kingston	543,889	—2.6	632,260
Peterborough	541,518	—4.5	571,777
Toronto	98,249,471	—18.7	109,334,314
Hamilton	5,386,069	+14.4	6,377,930
Kitchener	1,033,481	—8.7	1,131,256
Brantford	683,319	+9.9	905,564
London	2,510,156	+10.3	2,611,177
Chatham	575,345	—38.7	778,538
Windsor	2,391,872	—12.0	2,815,425
Sarnia	350,457	—20.4	567,857
Sudbury	1,154,168	+1.4	966,538
Fort William	734,618	+25.5	801,823
Winnipeg	66,162,593	+66.1	63,243,024
Brandon	280,405	—7.3	347,810
Regina	4,586,234	+30.3	5,295,042
Saskatoon	1,554,749	+30.6	1,783,515
Prince Albert	400,044	+50.8	434,127
Edmonton	4,099,523	+5.6	4,920,548
Calgary	6,544,230	+7.6	7,172,076
Lethbridge	638,886	+20.3	598,230
Medicine Hat	238,756	+10.3	309,908
N. W'minster	692,488	+8.8	581,851
Vancouver	15,745,349	—14.4	17,912,835
Victoria	1,483,744	—8.0	1,905,637

Scott Elected Vice-Pres. Guarantee Co. of America

From Our Own Correspondent

MONTREAL. — Frank Scott has been elected a vice-president of the Guarantee Company of America in succession to the late Sir Charles Gordon. Mr. Scott is an ex-vice-president of the Grand Trunk Railway System and has been a director of the Guarantee Co. since 1917.

Bank Debits Show Decline

October Decrease Due to Special Factors—Total For 10 Months Up

Canadian payments by cheque in October were 1.2% less than in the same month of 1938 according to the monthly report of the Dominion Bureau of Statistics. Total bank debits were $2.8 billions against $2.9 billions. In view of the admitted improvement in general business, it is evident that the decrease in bank debits was due to special causes.

Among those mentioned are:

Greater use of currency in business. The note circulation of the Bank of Canada was considerably higher than a year ago.

Less activity on the stock markets affecting the total turnover of money by cheques.

The embargo on grain shipments following the heavy movement of September.

Three of the economic areas were higher than a year ago, these being the Maritimes up 31%, the Prairies up 15.4% and Ontario up 3.1%. Quebec and British Columbia were down 18% and 5.6% respectively.

Compared with the previous month, while an increase of $67 millions is seen in actual dollar turnover after seasonal adjustment a decline of about 11% is shown.

Bank debits for the first 10 months of the year were 2.5% over the same period of 1938. Total figures were $25.6 billions against $25.0 billions.

Debits to Individual Accounts
$000,000

	Oct. 1939	Sept. 1939	Oct., 1938
Maritimes			
Halifax	42.0	32.6	27.7
Moncton	10.0	9.6	9.4
Saint John	16.6	16.3	15.6
Total	68.7	58.6	52.7
Quebec			
Montreal	686.3	723.9	818.1
Quebec	80.3	91.5	119.6
Sherbrooke	7.7	6.9	7.5
Total	774.4	822.3	945.2
Ontario			
Brantford	10.3	9.9	10.0
Chatham	7.4	7.6	7.6
Fort William	6.4	5.9	6.4
Hamilton	65.4	54.7	58.4
Kingston	7.5	6.4	6.9
Kitchener	13.5	12.3	11.4
London	35.4	31.8	30.8
Ottawa	113.3	93.0	100.2
Peterborough	7.0	6.1	5.9
Sarnia	6.1	6.0	6.2
Sudbury	7.7	8.2	7.2
Toronto	839.2	840.6	833.4
Windsor	32.0	31.3	32.7
Total	1,151.5	1,114.2	1,117.3
Prairies			
Brandon	3.8	3.3	3.3
Calgary	84.7	63.2	91.6
Edmonton	46.0	41.7	42.5
Lethbridge	6.9	6.0	7.6
Medicine Hat	4.1	2.3	4.1
Moose Jaw	11.4	7.9	8.7
Prince Albert	3.3	2.6	2.6
Regina	92.9	83.6	62.4
Saskatoon	16.0	12.0	12.6
Winnipeg	458.2	446.2	394.7
Total	727.6	669.1	630.5
Bitish Columbia			
New W'tminster	7.5	7.3	6.7
Vancouver	140.8	129.5	155.0
Victoria	28.2	30.5	25.2
Total	176.5	167.3	187.0
Total for Canada	2,898.9	2,831.6	2,932.8

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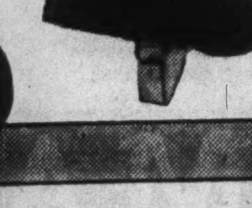

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SHOPS IN PRINCIPAL CANADIAN CITIES

Claims Bank Stocks Seen In Wrong Perspective

Canadian bank stocks are regarded as among the best investments in the Canadian field, offering a fair yield with a high degree of security. Accordingly there has been considerable interest in the position of these stocks in The Financial Post investment portfolio contest. In a letter published herewith, a reader mentions some points which have attracted his attention.

"Just to mention one," writes Martin Powell, of Toronto, "the Bank of Commerce is reported as having been mentioned 13 times, the Bank of Montreal 11 times, and the Royal 6 times. So out of 30 mentions not one of the experts picked the Bank of Toronto. Yet look at this comparison:

"High spots are:

"1. The rise of $23 p.s. in book value of Bank of Toronto stock during the past six years, against two or three dollars for Montreal and Royal and a decline of $4.60 for Commerce.

"2. The Toronto stock is currently selling at 88.2% of its book value, compared with 99.3% for Commerce, while the Montreal and Royal are both selling at or above their book values.

"3. 1938 earnings for Toronto were $3 above the average for the six years 1933-1938 (inclusive), as against only fractional improvement for the Montreal and Royal, and worse-than-average earnings for the Commerce.

"4. Yield is about the only factor favoring the Commerce (the favorite), but surely the earnings comparison is more significant; thus Toronto earned its current rate of dividend nearly twice."

	Toronto	Commerce	Montreal	Royal
1.—Book value, 1938	$283.42	$169.17	$211.62	$164.92
(1933)	($260.25)	($173.77)	($209.96)	($161.10)
2.—Current price	250	168	211	185
3.—% price—book value	88.2%	99.3%	100%	112.1%
4.—% quick ass.—pub. liabs.	73.42%	66.46%	77.8%	64.94%
5.—Earn. p.s., 1938	$19.40	$8.76	$9.44	$9.70
Av. 1933-1938	$16.41	$8.85	$9.12	$9.39
6.—Dividend	$10	$8	$8	$8
7.—Current yield	4%	4.76%	3.8%	4.32%

Editor's note—The Bank of Toronto was mentioned four times by contestants, but the list of most-favored stocks published in The Post included only those mentioned five or more times.

Commercial Alcohols Issues More Common

From Our Own Correspondent

MONTREAL. — Montreal Curb Market has called for trading 1,755 additional no par value common shares of Commercial Alcohols Ltd. This stock forms the balance issued under employees' stock subscription scheme for 1939 and brings the number of shares outstanding to 185,105.

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92

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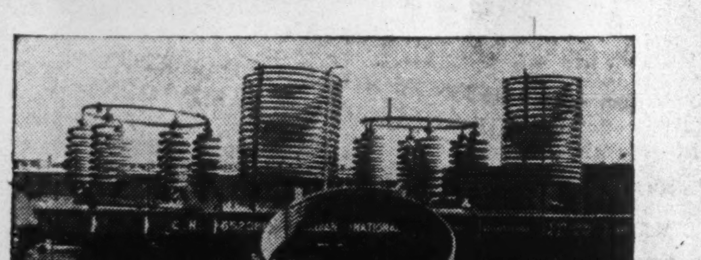

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United Amusement V. T. C. Called for Trading

From Our Own Correspondent

MONTREAL.—Attention of the Montreal Curb Market having been brought to the fact that the Class "A" stock of United Amusement Corp. is divided into 11,059 voting shares and 56,649 shares covered by a voting trust agreement, the latter have been admitted to trading privileges in the unlisted department of the Montreal Curb Market.

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Sask. Moves Toward Right

Municipal Elections in Main Centres Reject Leftist Sympathizers

From Our Own Correspondent

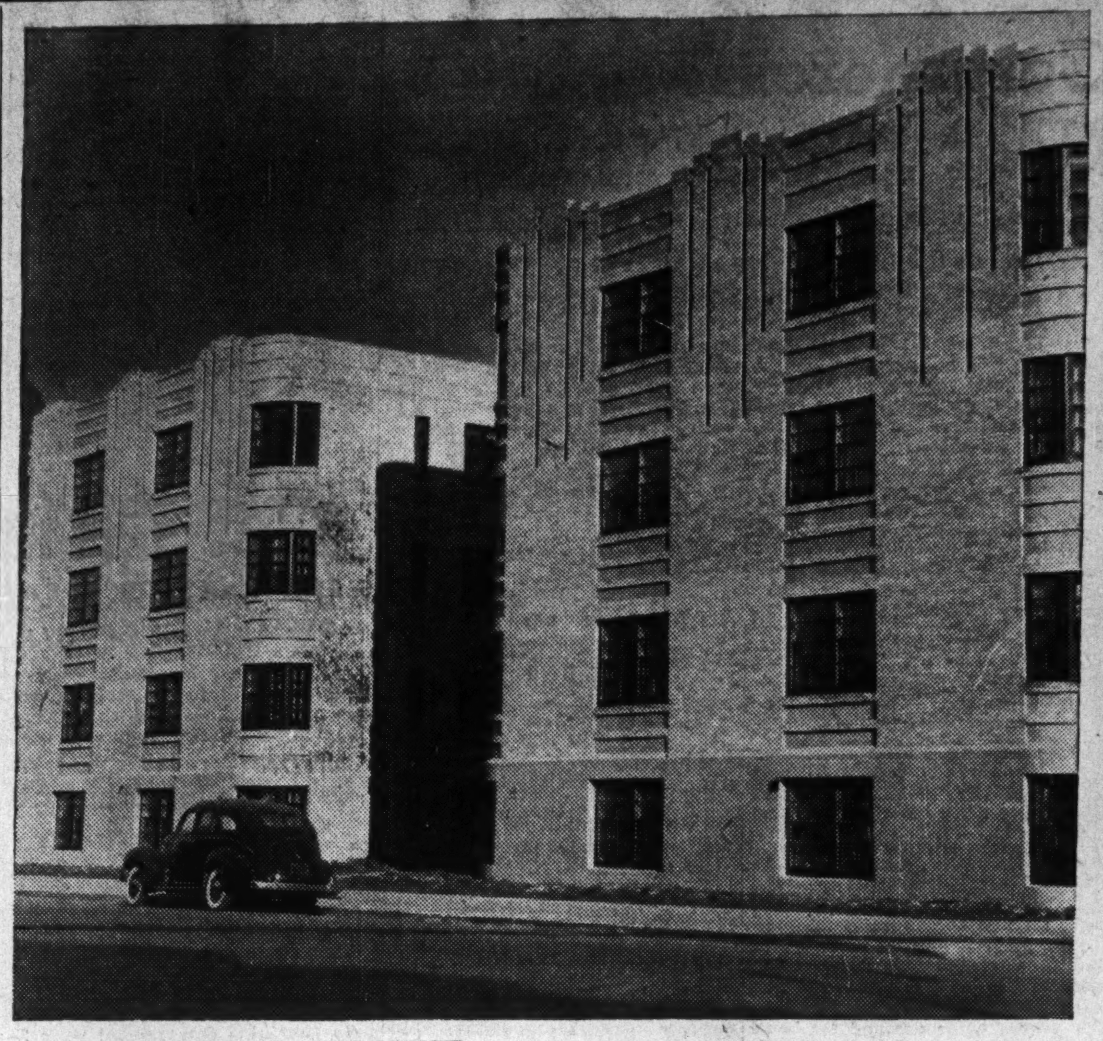
REGINA.—Municipal elections in Saskatchewan held during the last six weeks have revealed that the steady swing away from the left is continuing. The swing to the right set in a couple of years ago and since then it has been gaining.

Regina, a city dominated by a left wing council for several years, provided the surprise this year. A short time ago an organization known as the Civic Voters League formed a slate to cover offices that would be vacant from the mayor down to school board seats and only one man on this slate was not elected. In all the C. V. A., which can be termed as leaning toward the right, had 14 candidates in the field and elected 13, including the mayor, James Grassick, six aldermen and the remainder to the school boards.

Regina cast a record vote, more than 15,000, and it was not because there was any defined issue at stake. It was more because the C. V. A. by diligent and excellent follow-up work overcame general apathy and drew out the voter. The left wing vote did not lose much, neither did it gain, but the other vote exceeded past records.

Saskatoon and Moose Jaw also recorded heavy votes, with the Saskatoon council remaining much the same and the Moose Jaw council, not altogether definite in the past, now swinging slightly more away from the left.

As a result relief costs in Regina and possibly Moose Jaw may show a drop during the next year.



APARTMENTS FOR THE WEST

Increased purchasing power of the agricultural regions of the West has been reflected in improved conditions and revived activity in urban centres. An example of this was decision of the Hudson's Bay Co. to go ahead with the $200,000 Grenfell Apartments project (above) in Regina, and the leasing of many of the suites well before the recent completion of the building.

Building is Hobbled By War Conditions

November Returns Show Further Shrinkage in Activity in Canada

For the third month in succession Canadian construction activity in November reflected shrinkage on account of war conditions, value of contracts awarded for all types of construction dropping 15% below November, 1938.

As a result, the comfortable cumulative gain built up during last summer over 1938 volume has been whittled down to below 1%. Continuance of the trend through December would carry the grand total for the year definitely below last year.

Last month's decline is chiefly traceable, in regard to both percentage and dollar value drops, to shrinkage in business building and engineering contract awards. These in turn were caused principally by marked curtailment of activity in general engineering projects and in construction of office buildings, schools, hospitals, and theatres.

Residential construction also showed a further decrease, mostly in apartment building, though the eleven-month total in this division is still holding 21% ahead of last year. Most encouraging feature of November returns, as compiled by MacLean Building Reports, was a moderate increase in industrial construction, which boosted the cumulative gain for the year to date to 35%.

The fractional gain shown in the cumulative total so far this year is entirely due to a gain of over 12% in the Ontario total, the figures for the other provinces being markedly less or, at best, level with last year.

Current Trends Of Construction

Trends of construction activity in Canada last month and so far this year, broken down according to the chief categories of projects, are shown in the following tabulation by The Financial Post:

CONSTRUCTION CONTRACTS AWARDED
First Eleven Months

	1939	1938	—Change— 1939	
	—Millions of $—			%
Residential ...	63.3	52.0	+11.3	+21
Business	52.8	60.4	—7.6	—12
Industrial	20.6	15.2	+5.4	+35
Engineering ...	40.5	48.9	—8.4	—10
Total	177.7	176.5	+1.2	+0.6
November Totals:				
Residential ..	5.2	5.6	—0.4	—7
Business	3.7	4.9	—1.2	—24
Industrial ...	1.6	1.4	+0.2	+14
Engineering .	2.2	3.1	—0.9	—29
Total	12.7	15.0	—2.3	—15

Details of November Awards

	—November— 1939	1938
	$	$
Apartments	206,900	520,500
Residences	5,035,100	5,058,100
Total residential ..	5,242,000	5,578,600
Churches	174,600	241,200
Public garages	531,500	502,400
Hospitals	170,900	881,300
Hotels, clubs	368,600	207,600
Office bldgs.	282,100	559,300
Public bldgs.	922,600	716,000
Schools	117,200	966,900
Stores	526,800	554,800
Theatres	45,900	187,500
Warehouses	567,800	146,200
Total business	3,708,000	4,963,200
Total industrial ...	1,566,900	1,365,800
Bridges	10,000	196,000
Dams, wharves	577,400	316,400
Sewers, watermains .	871,300	210,900
Roads, streets	659,500	470,100
Gen'l. engineering ..	104,200	1,918,700
Total engineering .	2,222,400	3,112,100
GRAND TOTAL	12,739,300	15,019,700

Cumulative Totals—(11 Months)

1939 ...	$177,749,300	1937 ...	$213,293,100
1938 ...	176,592,400	1936 ...	156,469,200

The Home Front

Y. M. C. A. Provides Organization For Canadian Soldiers' Welfare

The work of the Y.M.C.A. in wartime was described recently by the Governor-General of Canada, speaking at a Toronto Y.M.C.A.

"War has been described as months of acute boredom, punctuated by moments of intense fear," Lord Tweedsmuir stated. "The Y.M.C.A. did much to relieve the boredom in the last war, and I am confident it will continue to serve in the same way in this war. From what I have seen of it, I am sure our Canadian military contingent is going to be a very wonderful thing and I am equally sure the Y.M.C.A. is going to render it wonderful assistance."

These organizations have already made their facilities—gymnasiums, swimming pools, reading rooms, etc.. —available to soldiers in the Active Service Forces. Y.M.C.A. centres and canteens are functioning at numerous military districts. As in the last war, the Y.M.C.A. will carry on religious and welfare work among the troops at home and in the field.

Appoint Six Men

The wartime work of the organization, like other wartime bodies, will be carried out as an auxiliary to the Department of National Defense and co-ordinated with other voluntary efforts.

Six Y.M.C.A. men have already been assigned to Canada's first division as part of the Auxiliary Services and will accompany it overseas. These appointments have been made from the regular staff.

Expense of providing facilities for soldiers at the present time is being borne by local organizations. Funds for carrying on the work will be provided by public appeal, made in conjunction with the regular annual appeals. All funds collected from the public for war purposes will be devoted exclusively to this cause and will not go toward the regular peacetime programme of the organization.

Financial statements will be published in every case, so that subscribers may see to what purpose their donations are put. To date, cost of supplying facilities has been borne by the local associations, but as the wartime programme is expanded, salaries of men employed full time in war work will be met from funds collected for that purpose.

Budget for its war work is now being drawn up and will be presented shortly. Local organizations possess complete autonomy in their efforts, and the National Council functions as a clearing-house for their efforts. Local branches which have no problems of ministering to soldiers' needs will aid organizations with disproportionate requirements.

Canteens will be established in military camps only when specifically requested. In some cases the Y.M.C.A. and Y.W.C.A. are operating canteens as a joint effort. In other cases the Y.M.C.A. is operating these in conjunction with other organizations.

The National War Services Committee will be comprised of 50 to 60 members, now being chosen. The committee will include a representative group of men from every part of the Dominion. The executive committee will be composed of 15 members. John A. Tory, Toronto, is chairman of the War Services Committee, and Lt.-Col. Gerald Birks, Montreal, is chairman of the executive committee. J. W. Beaton is secretary of the committee.

Spent About $20.4 Millions

The Y.M.C.A. has participated as an agency for providing troops with relaxation, entertainment and necessary services in the two previous conflicts in which Canada has been engaged, the Boer War and the last Great War. During the period from August, 1914, to Dec. 31, 1922, the Canadian Y.M.C.A. spent over $20.4 millions on its military work. Its work in the present war will proceed much along the same lines as then, but naturally a different set of problems will be presented.

Hart Joins Board National Steel Car

From Our Own Correspondent

MONTREAL.—R. S. Hart, vice-president in charge of operations, has been elected to the board of directors of National Steel Car Corp., to fill the vacancy created by the death of D. B. Dewar.

Rails Control Port Movement

Precautionary Measure to Prevent Congestion at Ocean Ports

From Our Own Correspondent

MONTREAL.—Canadian railways have taken steps to control movement of freight to Atlantic ports in order to prevent congestion of port facilities.

According to an announcement made by C. P. Riddell, general secretary of the Railway Association of Canada, "irregularity in transatlantic sailings and a heavy increased demand for vessel space and freight car equipment under wartime conditions, make it necessary to control the movement so that shipments will reach the seaboard at such times as the steamship lines are in a position to accept them. In this manner it is hoped to avoid congestion at port terminals and the tying up of railway equipment."

Under the system now in effect, railway freight agents are required to obtain permits from designated railway traffic officers for each shipment before they can accept it for delivery to the seaboard.

Dosco's Sydney Mill At Capacity

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp.'s pig iron production for the Sydney plant continues on a capacity basis. During October 24,000 tons were produced, as against the same figure in September and comparing with 16,000 tons in Oct., 1938.

Since May operations have been at capacity level.

Greetings
Craven A
CIGARETTES
A Merry Xmas

Your best wishes go with the best of gifts . . . the mildest of cigarettes . . . the ever-popular, cork tipped

CRAVEN "A"

Special Christmas Boxes Ready to Send
70¢

CRAVEN PLAIN—for those who prefer plain tips—are also obtainable in Christmas packages

New Building

Reported by Engineering & Contract Record:

Dominion Dept. of Public Works plans shortly to undertake construction of two additional wings to the general post office building at Montreal, at estimated cost of $1 million. Capacity of the premises will be increased by 1,700,000 cubic ft.

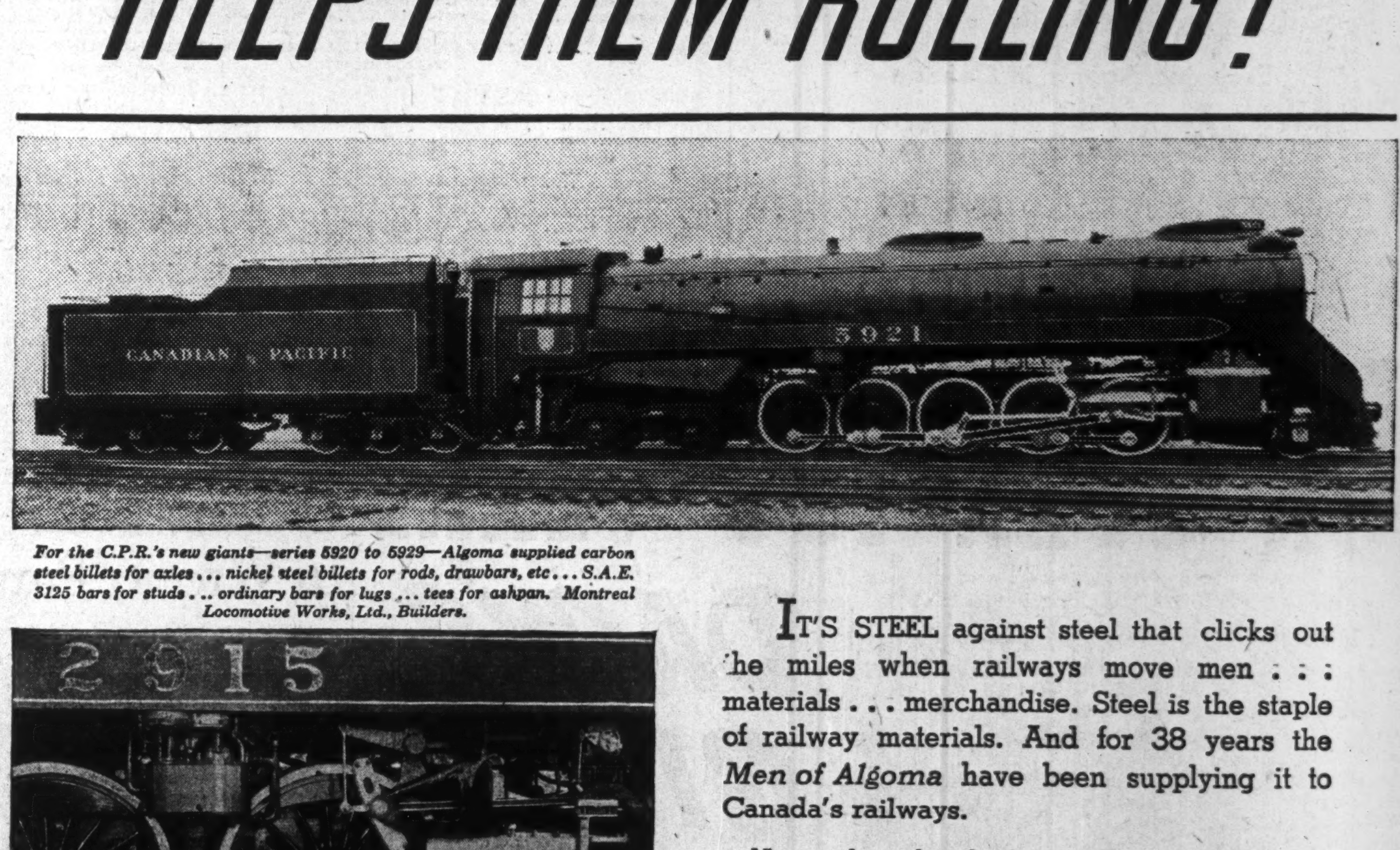
Niagara Falls Bridge Commission, Buffalo N.Y., expects to start construction early in the New Year of the proposed international bridge across the river at Niagara Falls, to replace the ice-destroyed Falls View bridge. Official approval for sale of bonds to finance the structure has been given in New York State, and plans and specifications are being completed with a view to having the bridge open for traffic by April, 1941.

National Harbors Board is drafting plans for $500,000 harbor shed at Three Rivers, Que.

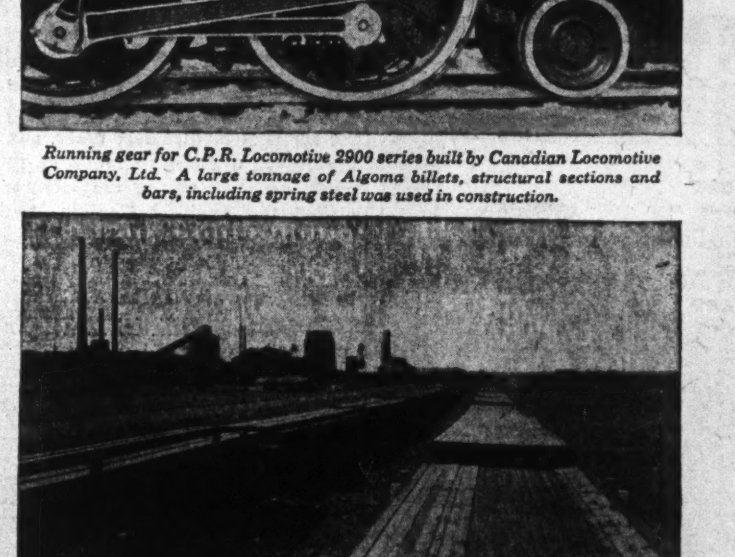
Canadian Tire Corp. is building $90,000 addition to its warehouse and showroom building on Yonge Street, in the north-central section of Toronto.

Henry Birks & Sons Ltd. has let contract to Otis-Fensom Elevator Co. for $50,000 programme of alterations to Birks Building, Vancouver.

STEEL FROM ALGOMA
KEEPS THEM ROLLING!



For the C.P.R.'s new giants—series 5920 to 5929—Algoma supplied carbon steel billets for axles . . . nickel steel billets for rods, drawbars, etc . . . S.A.E. 3125 bars for studs . . . ordinary bars for lugs . . . tees for ashpan. Montreal Locomotive Works, Ltd., Builders.



Running gear for C.P.R. Locomotive 2900 series built by Canadian Locomotive Company, Ltd. A large tonnage of Algoma billets, structural sections and bars, including spring steel was used in construction.

Shipments of rails like those above, leave Algoma's plant regularly.

IT'S STEEL against steel that clicks out the miles when railways move men . . . materials . . . merchandise. Steel is the staple of railway materials. And for 38 years the *Men of Algoma* have been supplying it to Canada's railways.

Now, when the rhythmic clatter of wheel on rail says Canada is working at full speed, Algoma's productive capacity in railway steels is more complete than ever.

Algoma production is helping the railways do their key job today. It provides rails to 130 lbs. per yard . . . structural sections to 15" . . . carbon and alloy steel bars and billets . . . splice bars, tie plates, special car sections.

And manning production are the *Men of Algoma*—makers of steel of standout quality. With them on the job, more and more steel from Algoma will help to keep the wheels clicking their tune of high-geared action all over Canada.

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War Solves Canada's Major Wheat Problem

Allied Market Guaranteed so Long as War on — Supplies Greater Than in 1914

By GORDON L. SMITH
Staff Writer, The Financial Post

For the duration of the war, Canada's wheat market problem is over.

There may continue to be criticisms of prices, there may be temporary hold-ups in shipping. But generally, so long as the war lasts all the wheat that this country can produce should be wanted and the bulk of it will find its way across the Atlantic.

In the last three weeks grain has been moving across the Great Lakes in record volume. As eastern terminals were choked a month ago and railways were forced to embargo further shipments, one naturally assumes the new flow means that Atlantic convoys have now been organized and are operating at capacity.

Normally, Canada faces two major wheat problems. The first is to grow it, the second is to sell it. Both of these problems have reached acute proportions in the last decade.

From 1928 to 1932, fair to excellent crops, plus decreasing sales resulted in piling up huge overhead surpluses. At the period, Canada started off the new crop year with more than a normal crop still left unsold.

Under such conditions, naturally, prices tumbled. Then came the worst drought this continent has seen in a whole century. Crops fell away to pitiable proportions. Over large areas of western Canada, growers considered themselves lucky to get their seed back. In many districts youngsters grew up to manhood without even seeing a field of wheat ripening.

Solved for Time Being

Now both of these major problems appear solved for the time being. Undoubtedly the war should mean sufficient demand to take every surplus bushel we can grow, while past experience would indicate that the long drought cycle is over for a good many years to come. It is, of course, possible and indeed unfortunately probable, short droughts will again occur in the fairly near future. But only once before in the long agricultural history of this continent has anything comparable to the five lean years of 1933-38 been experienced. The last visitation was about a century ago and that is about as often as weather authorities figure such calamities are probable.

With the outbreak of major war in Europe, many people, including holders, expected wheat to repeat the price performance of the Great War period. At first it did so. Even prior to the actual outbreak, each war scare put a wave of strength in the wheat market, just as it sent a shiver through industrial stocks. Once Britain and France definitely broke with Germany, however the wheat flurry was short-lived. Within a month the price was back to where it started and although there has been improvement since, it is still almost 5 cents below last September's peak.

Growers Disappointed

Growers have been disappointed. Prior to the war, when they saw this year's crop definitely developing into bumper proportions, most of them were well satisfied when the Dominion Government decided to guarantee a minimum price of 70 cents. Indeed, many of them would have been satisfied with less, and the average taxpayer, fearful of staggering wheat losses to the public treasury, believed that 60 cents would have been quite sufficient.

Once the war broke out, however, growers' opinions abruptly changed. Although there was absolutely no difference in the cost of production between the first day of August and the first day of September, some growers immediately decided that the minimum price was far too low. Ottawa, they said should jack it up not by a mere 10 or 15 cents, but to at least a dollar and not sell below that figure either.

Many of these growers were so convinced that soaring prices were inevitable, that they decided to hold back their wheat in any case. Even now, two full months after a late harvest, there is still probably 150 million bushels of new wheat stored in farmers' granaries in western Canada. But so far farmers and other holders of wheat have not received any profit. So far, they would have been better off had they sold early in September and let someone else pay storage charges.

Reasons for Sluggishness

The reasons for the sluggish action of world wheat markets since the outbreak of this war, are not hard to discover. Times have changed radically since the first Great War. Wheat, along with other commodities, has been affected.

The world wheat picture of 1914 was entirely different from what it was in 1939. A quarter of a century ago there was no big carryover of wheat from the previous year and the belligerents, so confident were they that modern warfare couldn't last more than six or eight weeks, built up no special food reserves.

Then Russia was a major factor, good for as much as 250 million bushels of wheat when crops in the Ukraine were favorable. Neither the Argentine, Australia nor Canada had developed into the big surplus producers they are today.

United States, it is true, was a big exporter in normal years, and contrary to Canada's experience, harvested a good crop in 1914. But there was no carryover of any account from the previous season, as farmers in those days followed the simple old fashioned rule of selling their crops as they harvested them.

Outside of United States, the only big block of wheat in shipping position was being stored in Russian Black Sea ports. Unfortunately for the Allies, in between them and the stored wheat in the late fall of 1914, was the closed and fortified Turkish Dardanelles. So long as this narrow waterway remained shut, it was obvious that wheat was going to be scarce and the price advanced quickly from a dollar a bushel at the outbreak of the war to $1.50 by mid-winter.

Russians Once Dominated

That this Russian surplus was a dominant factor in the world situation at the time was demonstrated when the Allies began to seriously tackle the Dardanelles in 1915. Every quarter of a mile of penetration up the Straits in the first and most successful attack brought wheat prices tumbling. From peak of $1.65 in May they dropped to under 90 cents a bushel in September. But, of course, the Dardanelles attack failed, Russian wheat remained cut off in the Crimea until it rotted and the world prices rose steadily to a peak of over $3 a bushel in the spring of 1920.

Now let us look at the contrast today.

Instead of poor to fair crops throughout the world in the year the new war has broken out, there have been bountiful ones.

Canada has produced close to half a billion bushels or the third largest crop in its history. Carried over from the previous year was at least 100 million bushels additional. Carryover plus crop in the United States is estimated at 990 million bushels. Harvests in Europe have only been slightly behind the excellent yield of 1938.

Big Reserves Now

In contrast again with 1914, reserves in the big consuming countries, especially in the countries now at war, have been built up to large proportions. One time Great Britain almost boasted of the fact that on her tight little island was never carried more than a ten-day supply of food. Though definite figures have never been revealed, it is believed today that wheat and flour reserves in Great Britain may well equal a six months supply.

Potentially, too, the situation is vastly changed since 1914. Then there were but two major sources of surplus wheat supply—United States and Russia. And the latter was soon cut off by Turkish and German guns on one side, totally inadequate railway facilities on the other. Canada, the Argentine and Australia were just beginning to develop as major wheat exporters. Today acreage in the three latter countries is not far short of double that of 1914. Even in the United States there has been a substantial expansion.

With shipping space available and routes open there would not be the remotest possibility of a real wheat shortage today. But, of course, shipping space is not unlimited and neither are all trade routes open. And it is because of this abnormal condition that Canada should have no trouble in selling wheat during the war.

With storehouses completely filled, with ample supplies offered, in fact, subsidized, in many of the big producing countries, Great Britain was in no panic to buy wheat at the outbreak of this war. And it is now a matter of actual record that her buying did not develop in a hurry. It is also a matter of record that in some accessible parts of continental Europe there were some small wheat surpluses which Britain decided should be bought ahead of Empire supplies. In some cases, it was simply a matter of getting stocks that would otherwise fall into German hands, in others an opportunity to win favor with wavering neutrals.

All this, plus some political bargaining with the Canadian Government plus again the organization of necessary convoys, meant initial war delay in purchasing wheat from this country, but that phase is over now. In the last month wheat has been moving out of Canada in heavy volume and it promises to continue until the war is over and European soldiers can go back to their farms.

Normally Great Britain imports about 225 million bushels of wheat or the equivalent in flour, annually. In wartime that consumption will undoubtedly be stepped up and much more than enough to offset the increased production of grain on her own farms under wartime stimulation. In addition, the two neutral countries close to Britain, Belgium and Holland, must also import wheat to supplement their own production.

Belgium's import usually runs between 40 and 45 million, the Dutch about 25 million. France fluctuates between being a net importer and a net exporter, but with two to three million men under arms during the war would be a consistent importer on a fair scale.

So long as the two neutrals mentioned are not occupied by an invader and the Allies will undoubtedly permit normal wheat requirements to be imported, and thus the 300 to 400 million import of the whole group may be treated as a single block. Practically all the wheat these countries use must come through the Allied blockade and the bulk of it will be carried in British ships or ships under British protection.

In wartime, as every schoolboy knows, it costs more to carry goods than it does in times of peace. In addition to a shortage of ships and more necessity for speed, there is the active danger of mines and submarines. For a long time to come, probably for the duration of the war, grain ships will have to be convoyed.

All of this boils down to one thing. Apart from political purchases, the Allies will certainly confine the bulk of their wheat demand to the shortest possible route. This means North Atlantic ports, so long as there is grain at these ports to move. It is this quickly available wheat that is going to govern the world wheat market and world wheat prices during the war.

So far as distance is concerned, Canadian ports and Canadian grain will have a slight advantage over the more southerly American, but there is another important factor in the situation, foreign exchange. This favors British purchases in Canada rather than in the United States.

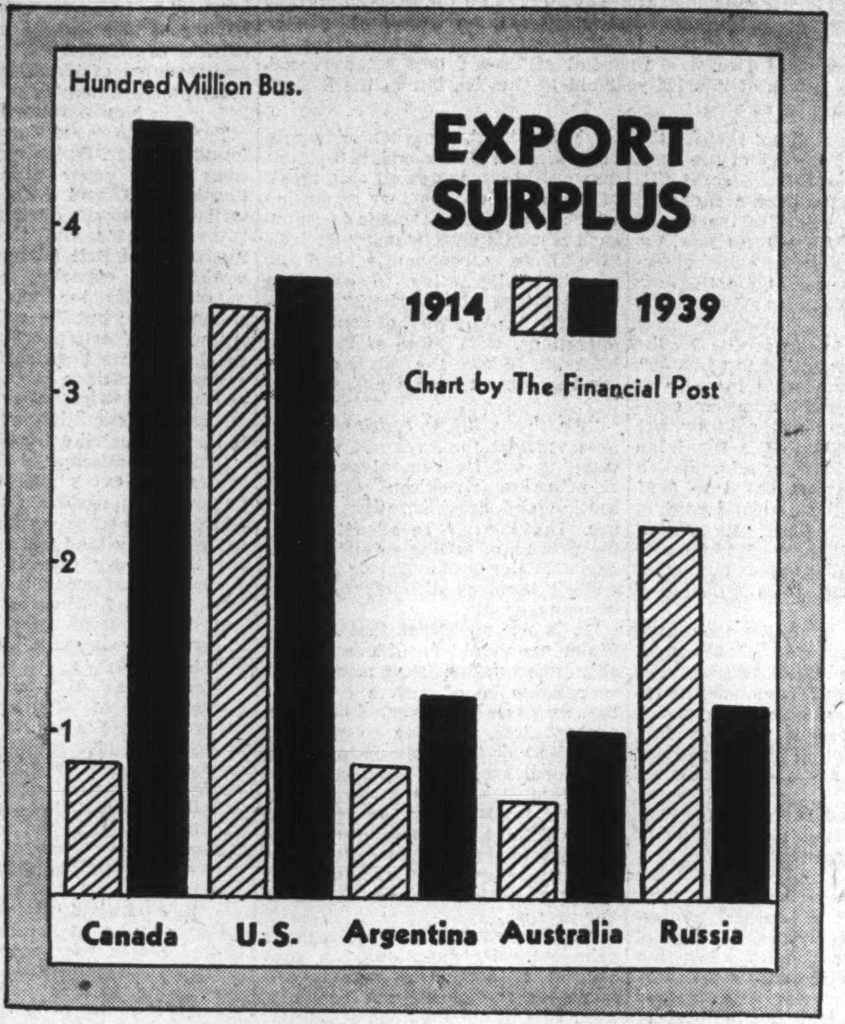
U. S. Damage Serious

So long as elevators on this side of the Atlantic are choked with wheat and year-end carryovers increase, as they have been doing in the last two seasons, the wheat market must be regarded as a seller's affair even in wartime. That is the situation today, with total supplies of wheat available in Canada and United States estimated at a billion and a half bushels, or almost exactly twice annual consumption. But the wheat supply situation, like the weather which governs it, seldom remains stable for very long.

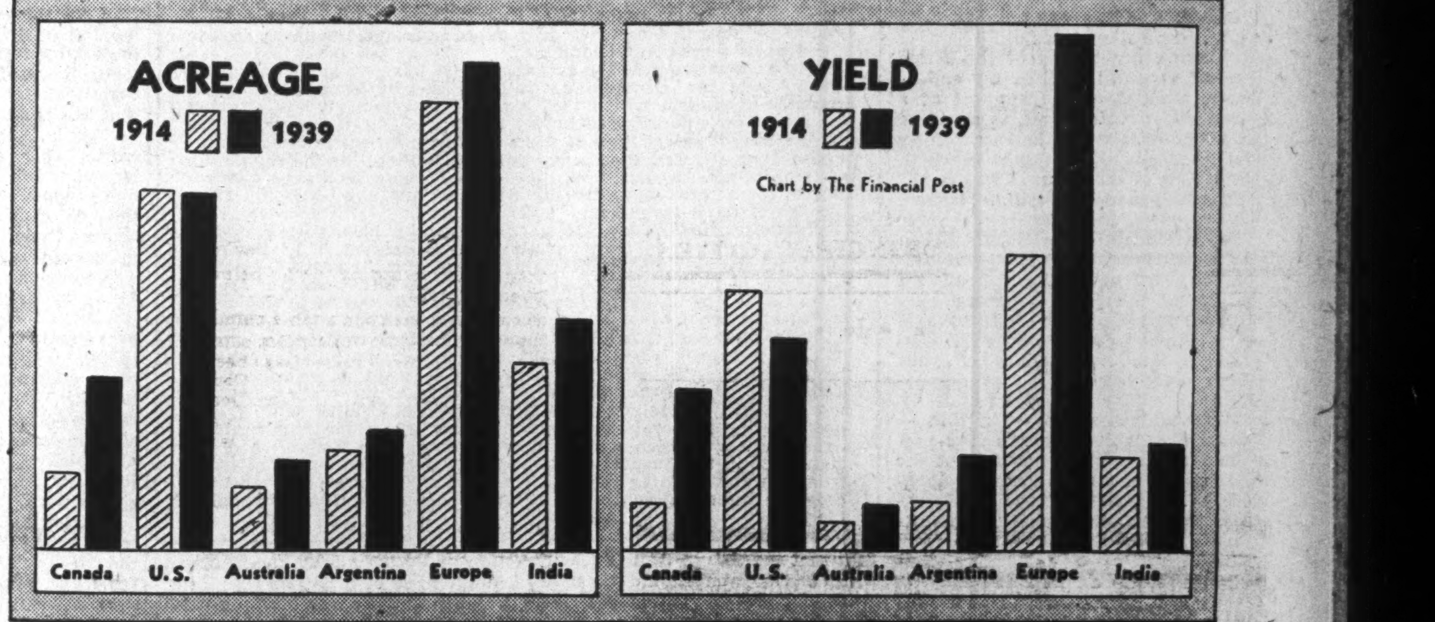
Out of the southwestern U.S. last fall came disquieting reports of dry weather. Fall moisture in some of the big winter wheat states was the shortest on record and fall moisture for fall wheat means life. In the northern tier of states, and Canada's prairie provinces, where practically nothing but spring wheat is grown, fall moisture is only one factor in producing a crop. If spring and early summer rains are timely, it doesn't matter a great deal whether the autumn is dry or wet. But this does not apply where wheat is sown in the fall, germinates in the fall and must make some preliminary growth in the fall.

As a result of the fall drought in the southwestern states, estimates of damage to winter wheat run all the way from 15 to 40% and it must not be forgotten that two thirds to three quarters of the total American wheat crop is of fall sown variety. In six weeks to two months, the amount of damage will be definitely determined, but already observers are freely hinting that United States next year, no matter what the spring wheat sections do, will only be able to grow enough to feed itself. If weather continues unfavorable, there will have to be a dip into carryover; there may be some importing from Canada.

So far in this war willingness of overseas buyers, plus the ability of the British Admiralty to provide and protect ships, have determined value and export volume of Canada's wheat. In a relatively short time, the weather over Kansas and adjacent states may supersede these other factors and become dominant.



The world wheat supply picture today is vastly different from the beginning of the first Great War. Then only big surplus stocks were in United States and Russia and latter were cut off.



Wheat acreages in major exporting countries except United States are considerably larger today than in 1914 with Canada showing the biggest gain, total rising from 10 to almost 27 million acres. In yields, Canada harvested a crop of 161 million bushels in 1914 and this fall over 475. Chart based on Sanford Evans statistics.

Bond Choice Favors Shorts and Convertibles

By A. D. ELLWOOD
Investment Editor, The Financial Post

Only 20% of those entering The Financial Post contest on "Investing in Wartime" omitted bonds from their portfolios. Out of 120 entries received, 24 had various reasons which seemed to them good enough to pass over the old investment stand-by of fixed interest-bearing securities.

There were no such clear-cut leaders in the many bonds selected as there were among the stocks as analyzed in The Financial Post issue of November 25. If all Canadian Pacific bond issues are ranked together, then this company's obligations have a small lead with a total of 24 times included.

On the same basis, the two Price Bros. bond issues rank second with inclusions in 20 portfolios. Price Bros. convertible debentures also rank second among individual issues.

The newsprint bonds come just about as close as any to scoring a clear lead over other industrials. Consolidated Paper 5½% bonds are mentioned 18 times, more than any other single issue. They are followed by Price Bros., with Abitibi 5% bonds trailing along closely.

Emphasis on Short-terms

Canada's highest-grade obligations, Dominion of Canada bonds, actually rank as the most popular fixed interest-bearing securities, judged by the tabulated results of this contest. And here, the short-term issues—those maturing in five years or less—enjoy a clear lead with 35 contestants including this type of security in their portfolios. Actually this preponderance of short-term Dominion issues—to which might be added the 14 times that Ontario medium- and short-term issues were mentioned—does not indicate any strong faith in bonds as investments in wartime.

Use of short-term bonds is almost universally done to protect against a rise in interest rates, and for liquidity. It is hoped that, in the event of the expected rise in interest rates, holders of short-term issues will suffer less, in so far as their principal is concerned than will holders of bonds maturing at more remote dates.

Take the example of the winner of first prize. S. C. Scobell recommended that his businessman client should buy high-grade bonds maturing at annual intervals over the next nine years. He puts the argument for using short-term high-grade bonds at least as well as any other contestants which he says is "to provide a measure of protection and liquidity without an unreasonable loss of income." His plan is summarized as follows:

"If the bond market declines over the coming years, our bond fund should give a progressively higher income, as we would usually suggest that a similar distribution of maturities in the fund be maintained. In other words, when the first year maturity is redeemed, a bond with an eight-year maturity should be substituted. Even with a rising bond market this longer-term bond should give a higher yield than the redeemed issue, yet the investor's position, as far as maturities are concerned, remains theoretically unchanged. He will still have $2,000 in cash available each year."

As a general rule, those entries which included recommendation of high-grade long-term bonds did so merely to have some of this class of security included in the list. There was no general discussion of the merits of long- vs. short-term bonds on the part of those who decided in favor of the former.

While discussing the field of government and municipal bonds on the basis of this contest, there are two other features that should be mentioned. One is the almost complete way in which municipal bonds are ignored. Only a few years ago, no portfolio of any size would have been complete without inclusion of municipal bonds. This time, it is only the exceptional one which actually includes such issues. Moreover, the most popular municipal bonds mentioned, Vancouver and Winnipeg, can hardly be classed as the best in the field.

Ignore Municipals

Here again there was practically no discussion of the pros and cons of investing in municipal bonds as a class. Probably one reason for omitting municipal bonds is the changes that have come over the demand for such issues in recent years. Good municipal bonds rarely become available to private investors now but are snapped up by institutions.

Here is what the contestant who selected three municipals, more than any other individual, says regarding government and municipal bonds:

"This class of investment offers reasonable certainty of the return of principal and the payment of interest thereon but little prospect of enhancement of value. Those selected are suggested as being diversified in character. The municipal bonds of three of the leading cities of Canada offer geographical diversification. The combined yield is 4½%. It may be noted that in the event of inflation little protection is afforded by this class of investment."

This man placed about $6,000 in the bonds of Toronto, Winnipeg and Vancouver but his discussion seems luke warm toward his selection.

Finally with regard to provincial bonds. These seem to be in about the same position as are municipals. Outside of Ontario, Alberta comes in for inclusion in eight portfolios. Here is what one contestant says about Alberta:

"The first purchase our client made appeared to belie his intention to avoid fixed income securities. He bought the Alberta debentures because he feels that that province has the capacity to meet its obligations if they wish. He anticipates the defeat of the existing government in the next election, and he also believes that increased prices for grain, cattle and other products of that province will benefit the people to a marked degree. He considers the return of better than 4.25% more than adequate for the risk assumed, and he hopes for a substantial capital gain. If and when this materialized, he would seek additional equities as a substitute for this holding."

Another man, in arguing for his inclusion of Alberta bonds, says that these bonds "seem to be selling out of line with other provincial bonds, and with Alberta's rich natural resources, particularly the oil fields, it would appear that some adjustment will eventually be made that will add to the present market value."

Arguing in favor of a substantial portion of a portfolio being held in semi-liquid form to include short-term high-grade bonds "to have funds available for the purchase of government war loans and in recognition of uncertainties produced by the war," another contestant summarizes this portion of his policy as follows:

(1) Commitments in longer-term, or termless, high-grade securities should be avoided in the initial choice of securities. The expression 'high grade' embraces those securities, the market value of which are primarily an expression of the prevailing level of interest rates;

(2) Commitments in equity or second-grade loan securities should at the present exclude securities of those companies, the earning power of which will be reduced or seriously retarded by a diminishing margin of profit per unit of sale, due to rising costs and fixed or change-resistant selling prices, unless such securities have some peculiar protective merit;

(3) Commitments in loan investments should be confined at the outset to high-grade shorter-term governmental obligations, and a diversification of second-grade issues in the depressed price category which might be expected to record price advances in a period of important expansion in national income."

This same man also sums up his ideas of inflation and investor action as follows:

"Inflation, one of the possible concomitants of increased production, may be numbered among the potential threats to the purchasing power of invested capital and investment income, war or no war, but, in my judgment, cannot be regarded as a dominant consideration. The selection of equity investments and the general distribution of capital throughout the portfolio suggested in this memorandum give some weight to the implications of inflation, but special concentration on this hazard is hardly reasonable at this time in view of the wide range of possible future economic developments. Should an inflationary spiral emerge from the pattern of future events as a factor of outstanding consequence, it is my belief that an alert investor will have ample opportunity to adopt protective measures."

Warns Against Inflation

Among those who omitted bonds entirely from their portfolios, however, are some who take a more serious view of inflation and what it may portend for the bondholder. Take the following example:

"Inflation is a term which has found its way somehow into nearly every monetary discussion during recent years. Indeed it has been used so carelessly that to many of us it has come to convey no more than a hazy and remote prospect of possible far-off adjustments in our economy, but nothing that we need worry about very much as an immediate danger. Now that war is an actuality, however, it becomes an all-important first essential to understand, so far as we can, what the implications of inflation are . . . The European inflations which took place during the early post-war period are still fresh in the minds of many of us, the most serious of course being the German currency crisis which occurred in 1923 and many were the stories circulated at that time concerning the efforts of unfortunate holders of German currency, or of securities tied fast to the currency base, to find some method of turning their paper into actual physical value."

Fears Money Contract

This man's conclusion is that we must look for "a medium that is free to float on the rising tide of changing monetary conditions, and if our previous experience of wartime conditions means anything, it does mean this, that now is the time when we should convert our cash into that particular class of security which can participate to the full in any flood of business prosperity." He maintains that "bonds, preferred shares not carrying a convertible or participating clause, annuities, endowment policies, or any other form of investment which is anchored hard and fast by contract to the present money base will not provide such an instrument."

Another entry which did not include any bonds in the list of securities recommended did so because "as our client is building for the future and in a position to assume a businessman's risk, we limit our programme to stocks, as bonds, especially those of the high-grade type, offer poor protection during inflationary periods." This man argues that "the cost of the last World War to Canada was tremendous and caused a sharp rise in our national debt. After having piled up yearly deficits for many years in peacetime, the country will certainly not be in a position to finance the present war out of income, despite heavy taxation. A further increase in public debt will then have to be resorted to in order to secure the necessary funds for our war effort. A long war followed by large post-war expenditures for demobilization and civil readjustment would undoubtedly force a certain degree of inflation in the country, an eventuality which should be taken into account in formulating an investment programme at the present time."

These extracts seem to illustrate the ideas behind the exclusion of bonds from one fifth of all the lists submitted. Where bonds are included, there is frequently an effort to minimize the possible harm from rising interest rates and consequently lower bond prices through use of short-term high-grade issues which come as close to being cash in the

(Continued on page 13)

Government & Municipal

This tabulation summarizes the bond selections of all the contestants in The Financial Post's contest on "Investing in Wartime." Dominion and Ontario bonds are divided by maturities which show the importance placed on short-term issues under present circumstances.

	Times Mentioned		Times Mentioned		Times Mentioned
Dominion and Dominion Guaranteed		Ontario and Hydro (long)	9	New Brunswick	2
Short terms	35	Alberta	8	**Municipal**	
Medium terms	22	British Columbia	6	Vancouver	6
Long terms	21	Quebec	5	Winnipeg	6
Grand Trunk Pacific	4	Saskatchewan	4	Montreal	3
Provincial		Manitoba	3	Toronto	2
Ontario and Hydro (med. and short)	14	Nova Scotia	2	Hamilton	1
				West Vancouver	1
				York Township	1

Corporation Bonds

C. P. R. (all issues)	24	Can. Inter. Paper, 6/49	6	Canadian Vickers, 6/47	3
Price Bros. (all issues)	20	Mont. L. H. & P., 3/49	6	Can. Nor. Power, 5/53	3
Consol. Paper, 5½/61	18	N. S. Steel, 3½/63	6	Great Lakes Pap., 5/55	3
Price Bros., 4/57	15	Simpsons Ltd., 4¼/51	6	Gen. St. Wares, 4½/52	3
Abitibi, 5/53	10	Lake St. John (all)	6	Maple Le. Mill., 5½/58	3
Canadian Canners, 4/51	10	Price Bros., 5/57	5	Acadia Sugar, 4½/55	2
Dom. St. & Coal, 6¼/55	10	Winnipeg El. A., 4-5/65	5	Al. Pacific Grain, 6/46	2
McColl-Fron., 4¼/49	10	Brown Co., 5½/46	4	Calgary Power, 5/60	2
Gatineau Power, 5/49	9	Burns & Co., 5/58	4	Can. Atlantic Ry., 4/55	2
Algoma Steel, 5/48	9	C. P. R., 4/49	4	Donnacona P., 4½/56	2
Shawinigan (all issues)	9	Dominion Tar, 4½/51	4	Famous Play., 4½/51	2
Canada Cement, 4¼/51	8	H. Smith Paper, 4¼/51	4	Ham. By-Product, 5/55	2
Massey-Harris, 4¼/54	8	Inter. Hydro, 6/44	4	Industrial Accept., 4/52	2
Can. Steamship, 5/57	7	Lake St. John, 5/61	4	Lake St. John, 5½/61	2
Winnipeg Electric (all issues)	7	Power Corp., 4½/59	4	McLaren-Quebec, 4/59	2
		United Grain, 5/48	4	United Secur., 5½/70	2
C. P. R., 3/45	6	C. P. R., 6/42	3	Winnipeg El. B, 4-5/65	2
C. P. R., 3½/51	6	C. P. R., 4½/44	3	Gr. Lakes Pow., 4¼/56	2

Bankers Confident of Canada's Capacity in War Effort

Huntly Drummond Sees Canada United, Strong in Emergency

BANK OF MONTREAL'S 122nd ANNUAL MEETING

Envisages Expansion in Many Lines of Business—Urges "Keeping Costs Down" to Mitigate Deflation Process Later

While emphasizing the gravity of the present world situation in its bearing on Canada, Huntly R. Drummond, president of the Bank of Montreal, at the 122nd annual meeting of shareholders Dec. 4, voiced his belief in the essential unity of the Canadian people and confidence in their ability to weather the storms that might lie ahead.

"We stand a united country in our war effort," declared Mr. Drummond. "It remains for us to bring the full strength of a united Canada to the work of prosecuting the war to a successful conclusion while at the same time keeping our affairs so in hand that we may enter the readjustments of post-war conditions as free of inflation as possible, with debts at the minimum possible and with morale unimpaired.

"I am confident that just as we have entered as a unified Canada into the fiery ordeal of war, so we shall emerge, a nation one at heart but more mature in thought and aspiration, ready to go forward as a member of the British Commonwealth of Nations to the great destiny which undoubtedly awaits this country."

At the outset of his address, Mr. Drummond made reference to the late Sir Charles Gordon, who, until his death last July, had held the presidency of the Bank of Montreal for twelve years. Many of those years, said the new president, were fraught with new and perplexing problems, but through them, he observed, "Sir Charles exercised his guiding influence in the affairs of this institution with wisdom and courage and he left the Bank stronger and safer than at any time in its history.

"We in the Bank respected him for his ability; we loved him for himself; and his example remains as an inspiration to us all.

"During my tenure of the office he left vacant, it will be my endeavour, assured of the support of a loyal and devoted staff, to continue those policies which he so carefully followed and to maintain the high traditions of the Bank of Montreal."

Bank's Financial Position Never Stronger

In referring to the Bank's financial condition, the president observed, "It has always been the policy of the Bank to make adequate provision for doubtful accounts, and I can say with full confidence that the affairs of your Bank were never in a stronger position.

"Eleven years ago — in 1928 — when Sir Charles Gordon first presided at an annual meeting of the Bank, we had total loans of $540,000,000. In 1938 there were $250,000,000. In the same period the investments of the Bank had risen from $110,000,000 to $440,000,000. This change from a preponderance of loans to a preponderance of investments coincides with the growth of spending by governments which has been facilitated by cheap money policies universally adopted by all central governments. As a result of this tendency, the earnings of banks became so reduced that the banks had to reduce dividends and later were forced to cut in half the interest paid to depositors on savings. Thus, while governments have been enabled to incur heavier debts at lower interest cost, it is largely at the expense of depositors and investors.

"Sometimes we hear criticism of banking profits, no doubt due to the size of our institutions, but you can see from the statement presented to you that on average total assets through our fiscal year of $907,000,000, the earnings of the Bank were $3,462,000. In other words, on each $100 of assets the earnings were but 38 cents.

Turning to the business conditions of the country, Mr. Drummond said that up to the end of August business activity had been following a course similar to, but somewhat in advance of, that of 1938.

"After early hesitation," he observed, "an encouraging advance appeared in the spring, followed by a widening improvement during the summer months. As a general indication of the degree of improvement over last year, our exports for the first eight months of the year exceeded the corresponding 1938 figures by the substantial margin of 10 per cent.; and industrial employment was approaching the post-depression peak levels reached in 1937. True, problems connected with public finance, aggravated by a long period of relief expenditure, were perplexing to an unexampled degree, but notwithstanding this, I am convinced that had the situation in Europe continued to justify the hopes aroused at Munich, recovery in Canada would have proceeded continuously. With the outbreak of war, we were, of course, immediately confronted with a completely altered situation."

Canada Well Prepared for War Effort

The circumstances which led to the outbreak of war, and to Canada's inevitable participation, call for no comment, for they are present in everybody's mind, the president observed. "But," he continued, "it is relevant to a review of our business to point out that war clouds had been gathering for so long and so obviously that we were not unprepared for the shock when it came. There was no repetition of the financial crisis of 1914. There was even a certain business stimulus in the prospect of increased demand for our products, magnified somewhat by the relatively low level of forward commitments which existed in many sections of business owing to previous uncertainty."

Of outstanding importance at this juncture, he said, was the fact that Canada entered upon the war period with one of the best all-round crops in the history of the country. "This," he stated, "applies to practically every part of the Dominion but more particularly to the Prairie Provinces, where, in contrast to recent years, the wheat crop is unusually large and of unusually high quality. Thus, Canada has very large supplies of the food products which the Allied and neutral nations will need and the buying power of the agricultural community from their sale will help the general business of the country. In addition to this, with the impact of war conditions, we have many industries which will benefit directly from orders for war supplies, and we have the prospectively important development of Canada as the aviation training centre of the British Empire.

"It will thus be seen that on the material side Canada may expect to be better qualified than most countries to meet the inevitable consequences of war, and an added consideration in this respect is the foresight and sagacity of England in providing for the continued supply of many commodities at normal prices.

"If Canada's role in the war is to be largely as a source of supply to Great Britain, then we should see to it that there shall be no excessive profits. Our aim should be a fair price for wheat and other farm products and a fair price for manufactures in which the Government will have the full support of business and labour, to prevent a vicious spiral such as that in which the cost of living and wage rates endlessly pursued each other in the last war.

"By keeping costs down as much as is possible, we will keep domestic trade moving and, after the war, this policy will mitigate the painful process of deflating prices and wages which is the inevitable sequence of an undue rise."

In referring to conditions in Great Britain and France, the president commented, "It is generally felt that the first months of the war have been satisfactory for the Allies. Britain's war services, her financial machinery, and the unity of her peoples at home and abroad are all felt to be vastly superior to what they were in 1914, and the country looks forward with determination, calmness and confidence."

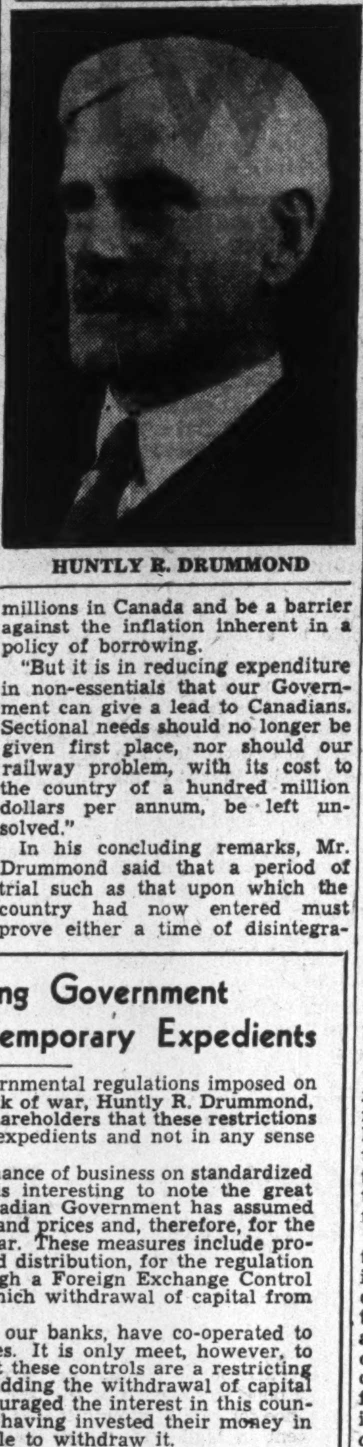
Mr. Drummond felt that the widespread indications of the deep sympathy of the majority of the people of the United States with the allied cause had been particularly heartening to the people of Great Britain and France, and "not less so to Canadians."

"As elsewhere," he observed, "business in the United States has been continually under the shadow of the European situation, but despite the recurrent crises abroad, a forward movement occurred during the summer, with marked acceleration in certain lines following the outbreak of war. Thereupon there were sharp advances in prices of almost all commodities, but business leaders have shown themselves keenly alive to the dangers of speculative commitments and rapid advances in the price level and, following the initial upswing, more stabilizing influences have prevailed."

"Pay as You Go" in Public Finance

In discussing the tax situation, the president said, "Taxation, following public debts—Dominion and Provincial — to-day seven billion dollars, ten year ago four and one-half billion dollars — has been steadily mounting for many years, and with the heavy expense of war a further increase in the Dominion field seems inevitable. With the expansion of business and of our favourable balance of trade which may be expected as a result of wartime demand for our natural resources and manufactured products, our policy, as far as practicable, should be to pay as we go and, as far as we can, to repatriate Canadian indebtedness abroad. The Government has already taken the first step toward this latter desirable object by arranging to repay a sterling loan out of funds advanced in London by the British Government to whom in turn our own Government has advanced an equivalent amount of Canadian dollars for British expenditure here in war supplies.

"Great Britain has drastically increased taxes to provide for war needs and, with normal income tax, becoming effective in May next, of 37½ per cent. on all incomes over £285, everyone there is sharing the burden. It is high time that Canada should follow this example. True, we have added a surtax of 20 per cent. to our income tax, but the vast bulk of the income of Canadians is still only lightly taxed. An extension of the income tax, even at a much lower rate than that in Great Britain, would produce many



HUNTLY R. DRUMMOND

millions in Canada and be a barrier against the inflation inherent in a policy of borrowing.

"But it is in reducing expenditure in non-essentials that our Government can give a lead to Canadians. Sectional needs should no longer be given first place, nor should our railway problem, with its cost to the country of a hundred million dollars per annum, be left unsolved."

In his concluding remarks, Mr. Drummond said that a period of trial such as that upon which the country had now entered must prove either a time of disintegration or of the strengthening of the moral fibre of a nation.

"In the last war," he observed, "Canada may be said to have found itself and to have reached maturity as a nation. Since then we have experienced many vicissitudes, in the midst of which we have at times leaned toward sectional interests, forgetting the national good. The tide in this direction has now turned and we face the world a more united nation than ever.

"Two events, in my mind closely connected, have served to emphasize the things that unite us. One is the visit of our beloved King and Queen and the other is the spirit of broad Canadianism to which our French-speaking compatriots have given such notable expression. Previous to the coming of our King and Queen, the Crown, to many of us, was just a word, the true significance of which was little realized. When, however, we saw this perfectly human and charming royal couple and heard them speak to us in our own language, whether that be English or French, about the vital things of which the Empire to which we belong is the bulwark in a world distraught, we realized the deeper meaning of the Crown as the living symbol of our common aspirations and our common being.

"With respect to that other event in which the people of the Province of Quebec have figured, Canada was the first country in the Empire to have an election in which participation in the war was the main issue. The result has been that our fellow-Canadians who speak the mother tongue of France have given to all the world truly remarkable testimony of the unity of the Canadian people, not only by endorsing this nation's efforts in support of the Allies but by their adherence to the principles upon which, at Confederation, the nation of which they are such an important part was founded."

Importance of Regarding Government Controls as Temporary Expedients

Touching upon the various governmental regulations imposed on trade and finance since the outbreak of war, Huntly R. Drummond, Bank of Montreal president, told shareholders that these restrictions should be regarded as temporary expedients and not in any sense as being of permanent character.

"As a contribution to the maintenance of business on standardized levels," said Mr. Drummond, "it is interesting to note the great measure of control which the Canadian Government has assumed for the better stabilizing of supply and prices and, therefore, for the more efficient prosecution of the war. These measures include provision for a regulation of prices and distribution, for the regulation of imports and exports, and, through a Foreign Exchange Control Board, for a form of control by which withdrawal of capital from the Dominion is forbidden.

"Business institutions, including our banks, have co-operated to the fullest extent in these measures. It is only meet, however, to go on record here to the effect that these controls are a restricting influence in business and that forbidding the withdrawal of capital from Canada undoubtedly has discouraged the interest in this country of citizens of other lands who, having invested their money in Canada, now find themselves unable to withdraw it.

"In any case, it is important that all the control regulations should be regarded as a temporary expedient to meet an extraordinary situation, and that they should be abolished at the earliest possible moment. Otherwise, we shall find ourselves saddled with a self-perpetuating autocratic bureaucracy contrary to the true basis of democracy for which we are now fighting. The Romans had the right idea in this respect—in a time of war they called Cincinnatus from the plough to be their dictator and after the enemy had been defeated the dictatorship was at once abolished and he returned to his farm."

JACKSON DODDS

G. W. SPINNEY

Bank of Montreal Ready To Meet War Requirements Say General Managers

Report Shows Record Figures for Assets and Deposits Loans Increased $30,000,000 in Year — Profits Up Slightly

Showing an increase of nearly $30,000,000 in loans to business concerns and private individuals and substantial advances in all the more important headings of the bank's business, Jackson Dodds, on behalf of himself and his fellow general manager, G. W. Spinney, laid before Bank of Montreal shareholders Dec. 4 a financial statement that set a record not only in the annals of this 122-year-old institution, but in the history of Canadian banking as well.

Mr. Dodds pointed out that for the first time in the history of the bank the items in the balance sheet this year amounted to over a thousand million dollars. Besides the record figures of $1,025,000,000 in assets, the statement which he presented showed deposits by the public totalling $914,000,000, which also constituted a record.

In referring to the profits for the year which, amounting to $3,462,000, had shown a moderate increase of $64,000, the general manager commented on the taxes paid by the bank. Those paid to the Dominion and to the Provinces, he said, totalled $1,198,000, and were equal to over 41 per cent of the dividend paid to the bank's shareholders. He pointed out that, in addition, the 513 branches of the institution paid municipal taxes amounting to a substantial sum.

Commenting upon the new high record in assets, Mr. Dodds said, "These figures ($1,025,000,000) are a measure of our responsibility to the public. The problems which this responsibility entails are so widely misunderstood that it is perhaps permissible to say a few words on the subject."

Loans and Investments

He took up first the question of loans and investments. "It is frequently claimed," he observed, "that the banks are reluctant to risk their money in loans to business, preferring the supposedly easier course of holding securities; and the fact that the total securities held by the chartered banks substantially exceed their loans is cited as simple proof that this is so.

"Nothing could be further from the truth. Our deposit liabilities do indeed require us always to hold a due proportion of high grade securities as a supplementary reserve against them. But beyond such requirements we would prefer in all circumstances to use our lendable funds in sound advances to foster industry, trade and commerce. Our organization, with its nation-wide system of branches, has been developed with this purpose particularly in view. In consideration both of service to the country and of profitable business to ourselves, we naturally wish to see our facilities fulfilling their purpose to the fullest possible extent.

"Unfortunately our readiness to lend to creditworthy borrowers does not affect their disposition to apply for loans, for the demand for commercial loans depends upon the state or trade and the prospects of profitable use of borrowed money. The fact that the condition of the markets for many of Canada's principal products has in recent years prevented anything like a full recovery of business activity or of commodity prices has therefore limited the inducement to borrow, and has confronted us with the problem of finding other use for our funds. The possibility of seeking a way out of this situation by relaxing our standard of safety in lending money is of course precluded by our obligations to depositors."

Enlarged Holdings of Securities

While the demand for commercial credit had thus remained at a relatively low level, the potential supply of credit, Mr. Dodds said, had simultaneously been increased as a result of the policy of monetary expansion which the Bank of Canada had pursued since its establishment in 1935. "We have consequently had no practical alternative to enlarging our holdings of securities," he remarked. "In this way, of course, our operations, with those of the other banks, have been the means of making the central bank's policy effective.

"We have thus constantly co-operated with the Bank of Canada in carrying out its general policy, as also in less significant details of routine and administrative procedure. But it must be admitted that the process of adding to our investments in the circumstances just described involves difficult problems of management.

"It is not sufficient that our investments should be of unquestionably high quality. They must as far as possible be of such a character that they can be converted into cash without loss, whether to pay our depositors or to enable us to extend additional credit to business. Provision must also be made against possible reduction in the aggregate value of the total portfolio owing to changes in market conditions, for any such reduction constitutes a loss which must be made good out of our profits.

"We have met these requirements principally by maintaining a substantial proportion of our investments in the short-term category. Over 50% of our holdings of Dominion and Provincial securities will mature within two years. This course necessarily reduces the average earning power of our assets. As the supply of suitable securities is limited, the demand for them has raised their prices and lowered their yield to the point where the rate of return is very low as regards short-term issues and although higher as regards longer term bonds, it affords little margin from which to provide against possible future depreciation."

These conditions, he said, may be modified as a result of the war, adding, "We may anticipate that the increasing production of war requirements in this country, together with the secondary effects of this activity, will stimulate a more active demand for commercial credit. In view of the condition which our balance sheet discloses it will be seen that we are well prepared for any such development."

Industry and Commerce

Turning to the industrial and commercial situation, the general manager referred first to wheat crops in the Prairie Provinces which in 1939 amounted to 452 million bushels, compared with 326 million in 1938. "The larger crop," he said, "is one factor in raising gross operating revenues of the two railways, which, to the end of October, were some $19 million higher than in 1938. The pace of economic activity on the prairie has quickened, and it is hoped that the improvement may continue.

"In the elapsed months of the current calendar year, production of copper in Canada amounted to about 400 million pounds, compared with 380 million pounds in 1938. Lead production was 283 million pounds, against 319 million pounds in 1938, when large stocks were accumulated abroad. In the first nine months of 1939 zinc production amounted to 301 million pounds, against 285 million pounds in the same period of 1938. Production of nickel has substantially exceeded the 1938 volume and is slightly ahead of the banner year 1937. Gold production to 31st August totalled 3,381,000 ounces compared with 3,056,000 ounces during the same period last year.

"The immediate outlook for the pulp and paper industry is brighter. Consumption in the United States has been rising and exports from the Baltic countries to the United States have been subjected to uncertainty of delivery and higher transportation costs arising from wartime conditions. Consequently, pulp and paper prices have been firm."

Commodity Prices

A decline in commodity prices had marked the course of 1938, the general manager observed, and during the early months of 1939 they had failed to recover, showing even greater weakness in the summer months. "However," he continued, "a sharp rise was experienced in September, coincident with the outbreak of war and the marking down of the Canadian dollar in New York. Since then, the higher level of wholesale prices has been more than maintained. The physical volume of business was consistently higher throughout the elapsed months of 1939 than in the comparable period of 1938, while during both August and September of 1939 the index was higher than in any parallel months in recent years.

"Retail trade was expanding prior to the sudden rush of buying that developed in September following the declaration of war. The June total was the highest for the comparable period since 1931.

"Foreign trade for the first nine months of 1939 showed a surplus of exports of $128,000,000, which is an improvement of $32,000,000 over the corresponding months of 1938."

Newfoundland

Turning to conditions in Newfoundland, Mr. Dodds said: "Operations of the paper mills at Corner Brook and Grand Falls have been well maintained during the past twelve months and the mines at Buchans and Bell Island have been working at capacity, with consequent benefit to their respective communities; but the codfish industry, which is perhaps the mainstay of the Island, has been suffering from adverse conditions in the chief importing countries, due largely to exchange difficulties, and in Spain to the recent civil war and its effects.

"The Commission of Government is making every effort to assist fishermen in various ways, and, in addition, increase agricultural development by land settlement. Plans are also under consideration with a view to increasing the exports of fresh fish and, while all these projects take time to bring to fruition, it can fairly be said that progress is being made.

"From year to year, since the Commission of Government took charge of affairs in Newfoundland in February, 1934, the Mother Country has assisted by making grants-in-aid to meet the country's annual deficits and so far—that is to say, to June 30 last, the end of the Government's financial year—has paid to Newfoundland $11,380,000 in this connection."

United States

Commenting on conditions in the United States, the general manager said that the country was today endeavouring to step into the place hitherto occupied by the belligerents, but under much different conditions.

"Both the channels and character of world trade have changed overnight," Mr. Dodds said. "The opportunities, particularly in respect to Latin-American markets, are greatly enlarged, but it must be remembered that the foreign trade of many of these countries has of late been conducted to a considerable extent under barter agreements and that their normal exports to Europe consist principally of commodities with which the United States is already plentifully supplied. Trade cannot for any length of time remain a one-way affair and temporary credits must sooner or later be liquidated by cargoes or default ensues.

"As to the course of business generally prior to the commencement of hostilities, it may be said that the consumers' goods industries, stimulated by a high rate of Government expenditure — not in itself a reassuring barometer but a cause for anxiety — have operated at a satisfactory level, while the construction industry, sustained by Government appropriations and aids to private residential building, has made substantial progress.

"The continued flight of capital from Europe, involving gold shipments on an unprecedented scale, has left the United States in a position of holding about two-thirds of the present world gold stock — not a healthy situation."

The volume of corporate financing brought to the market had again been disappointing. Only 20 per cent of the total represented new money requirements, indicating that the long range outlook for capital investment was still unsatisfactory.

"With money so greatly in supply," he said, "there has been practically no change in short-term money rates. Call money remains at one per cent with little demand, and the bill market has been dull with no movement in rates throughout the year."

In conclusion Mr. Dodds struck a note of confidence saying that Canada had progressed far along her destined way since the outbreak of war in 1914. "In supplies of wheat, minerals and manufactured goods," he declared, "her contribution toward the combined effort on the side of right in this war will far exceed what she was able to offer in the last; and there is abundant evidence in every province of the Dominion that Canada's contribution in men will be ample and of the type that in the last war brought ever-lasting glory to this country."

"Exchange Control Measures Do Not Reflect Weakness in Economic Position"

Referring to the far-reaching extension of Government control over the country's economic activities, and in particular to the establishment of the Foreign Exchange Control Board, Jackson Dodds, speaking at the Bank of Montreal's annual meeting, said that while the banks, as regards their own exchange operations, were subject to the Board's authority equally with other organizations and individuals, they had also been appointed to act as its authorized dealers. "This," he remarked, "involves a good deal of additional work at all branches and at head office, in which our staff have co-operated most readily."

Pointing out that the purpose of the measures referred to was to mobilize Canada's external resources in such a way that they could be applied as effectively as possible to the prosecution of the war, he said: "It should be emphasized that their essential character is therefore entirely different from that of the exchange control measures which certain countries in recent years have been compelled to adopt by reason of heavy deficits in their international accounts, and which were to be regarded in such cases as evidence of weakness. These measures do not reflect any weakness in Canada's economic position, for the balance of payments has been heavily in our favour for several years and has permitted a substantial repatriation of our external debt. On the contrary, they represent recognition of the fact that ability to buy abroad in time of war is an economic weapon of great power, which must to the fullest possible extent be placed at the disposal of the Government. Similar measures have been put into force by other belligerent governments."

Inter-State Royalty Corp. Reports Current Income

From Our Own Correspondent

MONTREAL.—Inter-State Royalty Corp. investments as at Oct. 31 had a book value of $1,115,424.

Gross revenue from royalty income since acquisition amounted to $492,960 up to Sept. 30, 1939, and the reserve for depletion totalled $135,564 to the same date. During September royalty income totalled $6,493 and accumulated gross income from this source for the first nine months of 1939 was $58,743.

The decrease in accumulated income and reserve for depletion was due to the fact that various properties were sold during the month and income which had accumulated on those properties was transferred from "royalty income accumulated" to another account.

David et Frere Declares Extra Bonus on Common

From Our Own Correspondent

MONTREAL.—David et Frere has declared an extra bonus of 25c. a share, in addition to the regular 10c. bonus and regular quarterly 15c. a share, for the quarter ending December 31, 1939. The disbursement, totalling 50c. a share, is payable December 30 to shareholders of record December 15.

The latest declaration brings total payments for 1939 to $1.25 a share against 75c. in 1938 and 25c. in 1937.

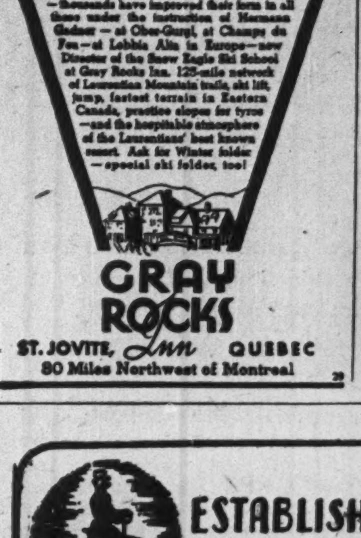
Best Yeast Ltd. Stock Being Offered Publicly

From Our Own Correspondent

MONTREAL.—F. J. Brennan Co., Saint John, is making a public offering of $72,340 of 6% cumulative preference shares of Best Yeast Ltd. at a price of $9.25 a share to yield 6.49%. On completion of this financing the company will have outstanding 20,000 shares of preference stock and 29,906 shares of common stock.

This company was formed a few years ago to manufacture yeast from the sulphite liquor waste at the Mersey Paper Co.'s newsprint mill. A market has been built up for the product throughout the Maritime Provinces.

To better serve demand for its product in central and western Canada, the company has laid plans for the erection of a second plant on the property of the Ontario Paper Co. at Thorold. This will involve an outlay of around $150,000.



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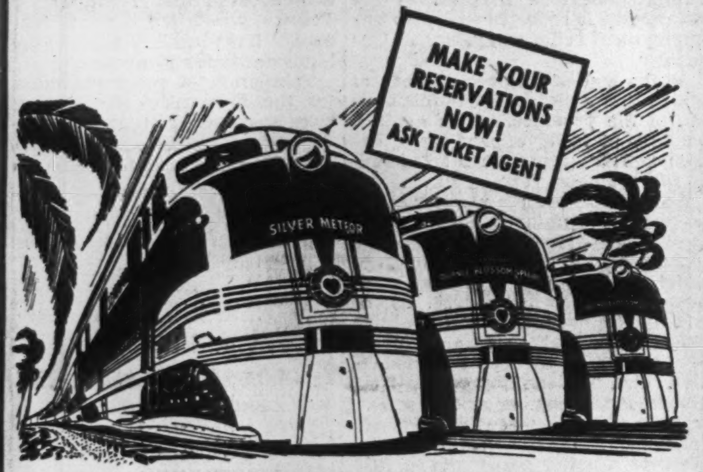
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Pulp and Paper Industry

Finn-Swedish Supplies Menaced

New War May Choke Off Scandinavian Sources of Newsprint

By JOHN LANGDON
Eastern Editor, The Financial Post

MONTREAL. — Invasion of Finland by Soviet Russia has a direct and important bearing on the Canadian pulp and paper industry.

Outside of Canada and the United States, this small Baltic country is one of the important world producers of pulp and paper. Almost its entire production is exported. In many cases it is a direct competitor with Canada and in more recent years has been fairly successful in building up its trade at the expense of Canadian mills.

Where does Finland stand now? Can it continue to manufacture pulp and paper for export, or will all its efforts be directed toward preserving its independence? If the Soviets conquer the country, will they in turn be able to hold the important place built up by the Finns in the world pulp and paper market? What will other Scandinavian countries do? Will Norway and Sweden be dragged into the war, or will their industrial production fall off until there is a settlement of the Baltic difficulties?

There is no answer to these questions at the moment. The Finnish-Soviet troubles are in a state of flux? The outcome is unpredictable with any degree of certainty.

Situation Needs Studying

It is a reasonable assumption that for the time being Finnish and, in turn, Scandinavian production of pulp and market will be affected adversely. It may be that Finland's export trade will diminish to small proportions. In any event the whole matter of Scandinavia's position in the world pulp and paper market calls for a thorough study in view of recent developments and what may happen.

Until the past few weeks all three Scandinavian countries have been able to maintain their export pulp and paper trade in a remarkable way despite shipping difficulties. Mining of the North and Baltic seas, blockades, etc., have thoroughly disrupted regular shipping schedules. Nevertheless the Baltic countries have held their export trade and even, as in the case of the United States, increased it in a very striking way.

Of Interest to Canada

The Canadian newsprint industry has followed with close interest operations of the Scandinavian newsprint producers. While the Dominion ships a much larger tonnage to the States and other markets than do the three Baltic countries combined, still the latter have strongly entrenched themselves in certain areas and in the American market are a source of concern because of their policy of underselling the Canadian product by as much as $7 a ton delivered in New York.

The Scandinavian countries have not only been able to do this, but apparently have found it profitable judged by the fact that their capacity to produce newsprint has been greatly increased since 1929.

Big Increase in Output

In 1929 Finland could produce 220,793 tons of newsprint paper annually working at capacity. On present installations, capacity is 593,770 tons yearly, or 169% more than it was in 1929.

Sweden also has stepped up its newsprint capacity but not to the same extent. In 1929 it was the largest producer among the Scandinavian countries, with a rating of 283,845 tons annually. This has been increased to 358,890 tons, or a gain over the 12-year period of 26%.

Norway's newsprint capacity has not changed very much since 1929. In that year the Norwegian industry was equipped to produce 232,036 tons. In 1936 capacity had advanced to 278,565 tons, but since then it has declined to 251,528 tons, or 8% more than it was in 1928.

How effectively the three Scandinavian countries have used this newsprint capacity is apparent in the following returns:

Scandinavian Newsprint Capacities
(In short tons)

	Finland	Sweden	Norway
1929	220,793	283,845	232,036
1931	253,531	281,640	248,571
1933	259,043	336,205	262,074
1935	358,581	336,756	273,704
1937	458,175	346,125	264,554
1938	493,504	346,125	262,350
1939	582,417	358,890	251,528
1940	593,770	358,890	251,528

Scandinavian Newsprint Exports
(In short tons)

1935	705,795
1936	750,481
1937	846,094
1938	746,045
1939 (to Aug. 30)	600,587

It should be noted in the above and following tables that the trade returns for 1939 are given only to the end of August. Preliminary figures for September, October and November indicate shipments have been maintained at a level considerably above that prevailing a year ago.

Finland Takes Precedence

In the breakdown of these returns, compiled by the News Print Association of Canada from a number of official sources, Finland's growth as a newsprint producer and its importance in world trade is clearly shown. In the first 8 months of this year, Finland shipped more tonnage than it did in any full year up to 1937 and about 25% more than in the same period of 1938.

The trend of Finnish newsprint exports follows:

Finnish Newsprint Exports
(Calendar Years)

	Tons
1935	311,525
1936	372,582
1937	428,888
1938	403,773

January to August

To:	1939	1938
U. S. A.	145,408	91,958
U. K.	61,739	66,746
Rest of Europe	44,102	42,787
South America	57,466	45,369
China and Japan	14,381	756
All other	15,872	8,860
Total exports	338,968	256,476

Sweden Selling More

Though Sweden has been devoting more and more attention to pulp manufacture, its production of newsprint constitutes an important item in the nation's trade. The volume of Swedish newsprint exports has tended to show a slight decline since 1935, but 1939 returns indicate an upswing.

This is more clearly set out in the next table:

Swedish Newsprint Exports
(Calendar Years)

	Tons
1935	230,035
1936	197,346
1937	221,807
1938	176,227

January to August

To:	1939	1938
U. S. A.	44,872	39,315
U. K.	21,854	14,351
Rest of Europe	19,290	18,495
South & Cent. America	43,148	27,735
China and Japan	435	534
All other	9,428	7,610
Total exports	139,027	108,040

Norway is a Factor

Norway is the least important of the three Baltic newsprint producers. Its exports are not overly important in world trade, except in one or two markets. However, they are of interest in that they combine with those of the other two countries to make them collectively a factor in world trade.

The Norwegian returns follow:

Norwegian Newsprint Exports
(Calendar Years)

	Tons
1935	164,235
1936	170,553
1937	195,399
1938	166,045

January to August

To:	1939	1938
U. S. A.	33,320	3,765
U. K.	12,485	11,027
Rest of Europe	22,972	32,542
South & Cent. America	34,947	33,239
China and Japan	1,020	3,674
All other	17,848	14,669
Total	122,592	98,916

There are certain markets where Scandinavian newsprint is of little interest to the Canadian mills. Then there are others where it is of very considerable interest.

Hit Canadian Trade

Take the South American market: this was largely served by Canadian mills, until the latter revamped their price policy to bring the South American rate in line with that charged elsewhere. The Scandinavians seized this opportunity with the following results:

In 1936 Finland shipped 59,611 tons to South America. In 1938 shipments averaged around 70,000 tons. For the first 8 months of this year 57,466 tons were shipped into that area as against 45,369 tons in the same period last year.

Sweden Sets a Record

Sweden shipped 30,733 tons to South and Central America in 1936; 39,259 tons in 1937 and 48,754 tons in 1938. To the end of August, 1939, shipments aggregated 43,148 tons, as against only 27,735 tons in the like period of last year, which, it is worth pointing out, established a new record.

At one time Norway's principal market was in Europe (outside of the United Kingdom), now it is Central and South America. Shipments to the latter market jumped from 24,433 tons in 1935 to 49,251 tons in 1936; 60,786 tons in 1937 and 57,331 tons in 1938. Exports for the current year are on practically the same level as last year.

Take Oriental Market

Canada used to ship a fair quantity of newsprint to China and Japan. That market to all intents and purposes has been practically cornered by Finland. For the first 8 months of this year Finland shipped to that area 14,381 tons. In the like period of 1938 shipments amounted to 756 tons and for all of 1938 only 1,128 tons.

The position of the Baltic countries in the United Kingdom newsprint market has not undergone any remarkable change in recent years, but it is a different story as far as the American market is concerned.

Factors in U. S. Market

The volume of Scandinavian newsprint sales in the American market represents a comparatively small percentage of the total U. S. requirements. The rub to operators in this country is that the Baltic countries undersell the Canadian product and dominate the spot market.

In 1935 Finland shipped 79,395 tons of newsprint to the States. Trade touched an all-time high of 161,050 tons in 1937 and declined only to 151,077 tons in 1938.

Had not the war with Soviet Russia interfered, Finnish shipments to the States this year would have set a new record. For the first 8 months exports totalled 145,408 tons, as against 91,958 tons in the like period of 1938. A few weeks ago prospects were excellent that, despite shipping difficulties, Finland would market over 200,000 tons of newsprint in the States in 1939.

The Swedish mills have been losing their place in the American market, preferring to ship the more profitable pulps. From 1935 to 1937 newsprint shipments averaged over 90,000 tons annually, but dropped to 61,972 tons in 1938. This year there has been a moderate increase, but the total for the 12 months is not likely to go much beyond 70,000 tons.

Norway is not a factor in the American market, yet to the end of August this year, it exported 33,320 tons compared with 3,765 tons for the corresponding period of 1938. The increase this year is even more striking compared with the returns for 1935 to 1938, when annual shipments averaged less than 20,000 tons.

Concerns Canadian Mills

The foregoing briefly covers the statistical position of the Baltic countries in the world newsprint markets, with more particular reference to the Orient, Central and South America and the United States, where the gains have been largely at the expense of Canadian mills.

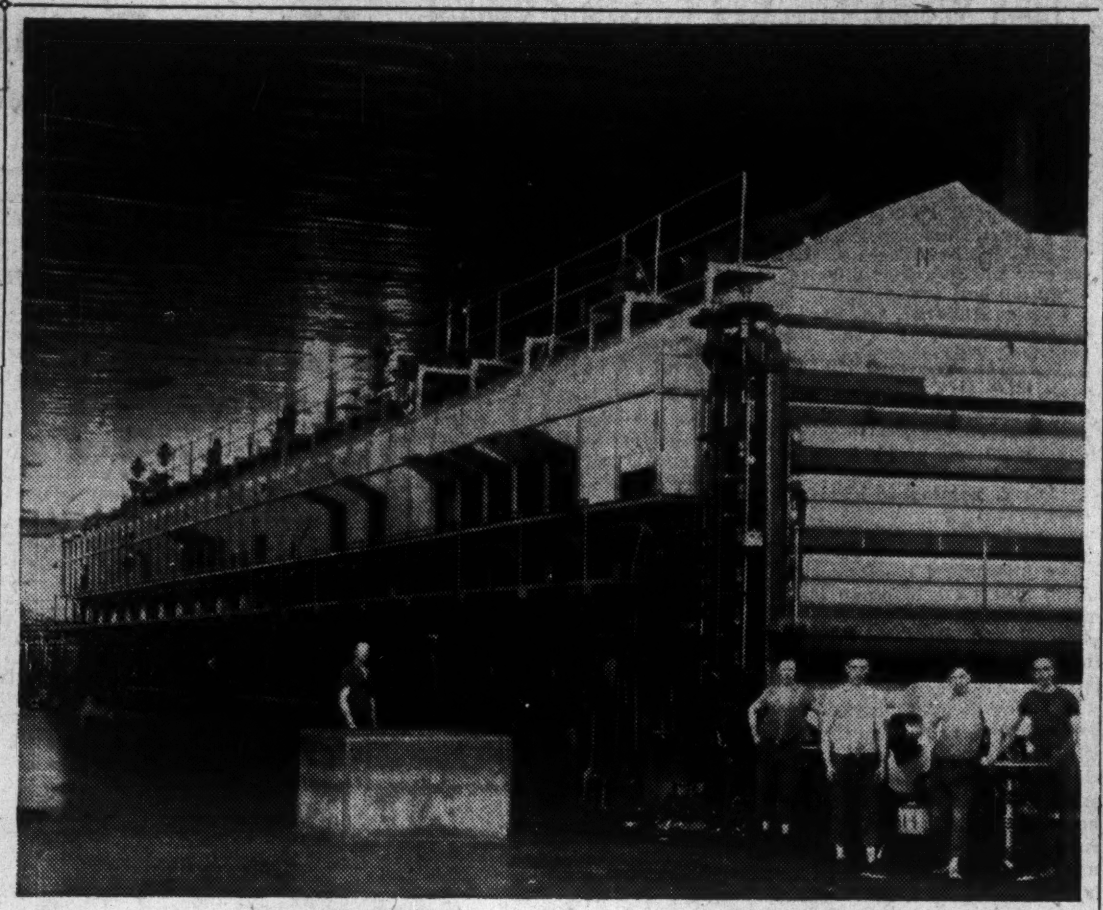
Finland is by far the most important newsprint competitor which Canada has to meet. She is not a serious competitor in respect to volume of tonnage handled or in the dollar volume of sales. On the other hand Finland is important as far as the United States market is concerned (which in turn is Canada's most important market) in that her ability to ship paper to the States and sell it at a lower price than the Canadian product has a definite bearing upon the Canadian mills' sales policy.

If Finland is forced out of the newsprint market by war conditions, then her customers may be expected to look to Canada for their supplies of newsprint paper.

Outlook is Uncertain

If that happens it is conceivable that Sweden and Norway will be so concerned with their neighbor's troubles that they will not attempt to do any more than hold their position in the newsprint trade.

The immediate future, therefore, is of vital concern to Finland and in a much lesser degree to Canada's newsprint industry which stands to benefit, by force of circumstances, from Finland's misfortune. The extent of the benefits depends upon the length of the war between Finland and Soviet Russia. If Finland successfully maintains her sovereignty the benefits may only be temporary, but if Russia goes to extremes and annexes Finland, then Canadian mills may widen their regular markets.



PAPER MAKING MACHINE

Wood pulp goes in one end of this machine and comes out the other end as newsprint. It is one of the units in the Riverbend mill of Price Bros. & Co. The Riverbend mill was opened in 1925, enlarged in 1926, and addition of two new paper-making machines in 1929 doubled its capacity.

Hold Australian Newsprint Trade

From Our Own Correspondent

MONTREAL. — Australia's announced curb on trade with non-sterling countries is not expected to influence newsprint trade between Canada and the Commonwealth. Of late Canada has been shipping to Australia between 175,000 and 200,000 tons of newsprint annually. Interference with this trade would be felt seriously by the Canadian industry.

Australia is dependent upon Canada for her newsprint requirements. She has no newsprint industry of her own. Preliminary cable advices from "down under" are to the effect that the new curb on imports will only apply where there is an alternative source of supply from countries in the sterling bloc. In that event the newsprint trade should not be affected.

Lake Sulphite, Abitibi In Ontario Probe Field

Two matters of major interest to investors in the pulp-paper industry are to come before the committee of the Ontario Legislature that is to investigate the Ontario Department of Lands and Forests early in the New Year. At the recent organization meeting, Col. George Drew, Opposition leader and instigator of the probe, announced that attempts to reorganize Abitibi Power & Paper Co. and the association of the department with the affairs of the Lake Sulphite Pulp Co., would be brought before the committee.

Col. Drew, in outlining the programme which he planned to bring before the committee, also stressed an effort to evolve a long-range policy for the Ontario Department.

Favors Shorts and Convertibles

(Continued from page 11)

bank as it is possible to get and still select a portfolio of investments. Because of the high level of bond prices that have prevailed for several years, there is a general feeling that it is impossible for them to go much higher, but that there is plenty of room for them to go lower. If interest rates rise, maturing short-term bonds can be reinvested at more attractive rates.

Like Convertibles

There is more than one way of getting around this difficulty, however, and obtain the assured income of a bond while avoiding the lack of chance for capital growth that is inherent in high-grade bonds bought at, or near, record high prices. One method is through the use of convertible issues, and this device might have proved more popular had the Canadian market given greater range of issues from which to make a choice. But the convertible feature attaching to such bonds as certain C.P.R. issues, the convertible 3% debentures of Montreal Power, Algoma Steel's convertible 5% bonds and the convertible debentures of Price Bros. and Dominion Steel & Coal, undoubtedly accounted for the high ranking of these issues with the contestants. By recommending such bonds, it was hoped to take advantage of any gains in prices for the common stock as business improved while maintaining an assured income and lien position.

Another factor entering into the arguments advanced in favor of certain corporation bonds and those of the western provinces was the chances for capital appreciation present in such issues. It was largely this hope that led so many contestants to choose Consolidated Paper bonds, for example. Alberta provincial issues were also discussed from the standpoint of capital gains as much as for income. Such bonds are ranked more nearly akin to equities than to high-grade interest-bearing obligations.

In the contest entries there is no accepted proportion evident among all the lists submitted to indicate how much should be invested in bonds and how much in stocks. If all the portfolios submitted were totalled and the securities included divided between stocks and bonds, the former would make up considerably the larger portion. One reason for this, of course, is the 24 entries that entirely omitted bonds.

But even among those that included bonds it was only in rare cases that as much as 50% of the total portfolio would be in fixed interest securities. At the other extreme would be the portfolio that included only 10% of bonds, strictly as a liquid fund. Perhaps the average would be around 30% to 40% of the $50,000 placed in bonds of all classes.

Survey of Industry

NATIONAL DIRECTORY OF THE CANADIAN PULP AND PAPER INDUSTRIES. Published by National Business Publications Ltd., Gardenvale, Que. Price $5.

The 1940 edition of the Directory of Pulp and Paper Industry meets a very definite need for those interested in the industry. It supplies a mass of detailed information regarding mill equipment, personnel, etc. In addition there is a list of various paper products and their manufacturers; list of distributors and agents of Canadian mills, as well as the industry's returns compiled by the Dominion Bureau of Statistics. All in all it is an exceedingly handy book on the industry and its many activities. While many improvements have been effected in the Directory from year to year, there is still room for betterment, especially in the information relating to mills. One detraction from an otherwise fine effort is the lack of uniformity in the mill data. For example, the output of newsprint mills is quoted in tons daily; tons per annum; and still again in pounds per day. It would be better to quote in tons per day. Another improvement would be to show not only production of a mill, as is now done, but also the output for sale. The index is still inadequate. It could, with benefit to the user, be extended to show not only the pulp and paper mill, but also the converters.

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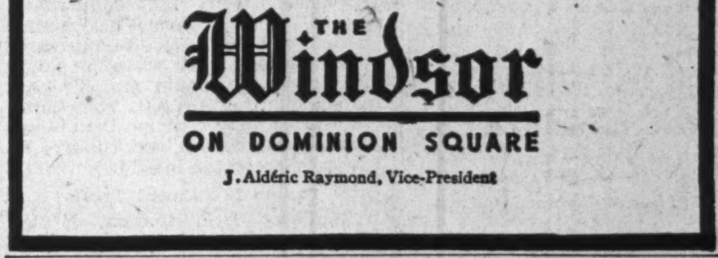

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Critic Discusses Insurance Legals

An answer to the Toronto lawyer who brought forward the insurance company standard for investing in stocks as a ground for criticizing the portfolio included in S. C. Scobell's list, has come from Brian N. Barrett, Toronto, winner of an Honorable Mention award in the recent contest. He suggests that the restrictions placed on insurance company investments are intended to conserve policyholders' money, but tend rather toward the legal than the financial viewpoint. He holds that this standard would give "some amazing results if applied to the businessman's problems." Certain provincial and municipal bond issues have been legal for insurance company investments, which "the most hard-boiled bond salesman would hesitate to place before his client."

Mentions Nickel

"On the other hand," writes Mr. Barrett, "the common stock of one of Canada's outstanding industries, International Nickel, is not legal for investment by insurance companies because it has not paid dividends continuously for the last seven years. It so happens that in one of those years, the management of International Nickel decided to conserve working capital by the discontinuance of dividends and at the same time to make certain capital expenditures, which, in due course, increased the earning capacity of the plant to the benefit of the common shareholders."

He concludes that this dividend record standard is hardly the right way to measure the desirability of an investment in this stock for a businessman, when compared with the policy of the company's management "which, during the same seven year period, had taken advantage of opportunities for profitable expansion and modernization."

Ignores Growth Cycle

He sees another drawback to the seven-year dividend yardstick on the ground that: "Few industries have experienced an uninterrupted period of growth, but move forward in cycles, the long-term trend of which is upward. The seven-year consecutive dividend period may mark the beginning of the downward part of this particular business cycle. From the businessman's point of view, he should take advantage of the early part of the cycle in which to make his investment and not be handicapped by a rigid restriction.

Technical Stumbling Blocks

"Some of the provisos in connection with common stock investments for insurance companies are such that they outlaw a company which has paid dividends for ten years, has a management unexcelled in its particular field and a prospect of growth almost unequalled by any other company of its kind. Yet, a legal technicality regarding the form of the stock issued at one time, is a stumbling block. This may appear common sense to the Insurance Department, but certainly not common sense to the mind of the successful businessman whose funds we have under discussion."

With respect to preferred stocks, Mr. Barrett referred to another company, which he does not name, but states to be, "a leader in its field." This company deferred its dividends for one year to conserve working capital, but "within three years, it had made a settlement of all arrears and since that time has not only paid its full preferred dividends, but for the last four years has participated with the common.

"At the time when this preferred stock was a logical buy, it was illegal from the insurance company's viewpoint and still is, but to the businessman its record indicates aggressive and sound management."

Condemns Investing by Rule

He suggests that often the policyholder's interest might be better served if the final decision on investments "were left to the trained security buyers and directors of the insurance company in question, rather than to a government department in which the viewpoint is so restricted by legal forms and technicalities that it seems to lose sight of true values."

Regarding the gold stocks, Mr. Barrett points out that "a lot of excellent gold prospects among the newer mines, such as Macassa, Pamour, or Sigma" would be eliminated from consideration, but the act would permit buying "shares of an older mine which may have passed its prime."

Finally, Mr. Barrett points out that:

"During times of depression, some industrial companies have been forced to forego first mortgage bond interest, but in the early years of recovery have quickly regained their ability to pay this interest and subsequently their former earning power. The insurance act would permit a businessman to purchase first mortgage bonds when the going was good, but would prohibit him buying during default, sometimes at a price of 50 cents on the dollar, when an obvious opportunity to average presented itself."

Favors Investment Trusts

Winthrop Bell, Chester, N. S., draws attention to two points which struck him when the analysis of all stock recommendations was published recently in The Post.

He wonders why so few entries failed to suggest "the suitability of placing part of the fund in stock of an investment trust." He feels that this type of security would give an opportunity to employ the aid of those who make a business of following investments, with a consequent benefit to a busy man who did not have the opportunities to do this himself. Mr. Bell admits that some Canadian investment trusts have made a poor showing, but wonders why "nobody should suggest such a stock as Canadian General Investments. (This stock was actually mentioned by one or two contestants.) Its record for the past seven or eight years is encouraging; its management is on the whole such as to give reasonable confidence that its directors will not load it up with their own 'sour' holdings; it has the great advantage for an investor of being traded on a public stock exchange; and it can be bought today well below the liquidating value of its portfolio."

Mr. Bell also wonders why General Steel Wares common was included, but the preferred overlooked. He suggests that the preferred stock of this company, through its participating feature, preferred dividend and attractive price, merits consideration ahead of the common.

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In 1938 Moore Corp. earned $2.70 a share on its common stock. Business and profits for the first six months of this year were stated to have been well in advance of the corresponding period a year ago, indicating that earnings for the full year should be well up over 1938.

Investing in Wartime

Portfolio Based on 3-Year War

High Wages, Increased Costs and Control Of Profits Influences Division of Funds

The accompanying entry was awarded an Honorable Mention prize in The Financial Post's recent contest on "Investing in Wartime." In publishing this article, The Financial Post is presenting the ideas and investment policy of the author and does not necessarily endorse the securities selected as being the best available.

Thomas Andrews, author of this article, is a bank manager at Cornwall, Ont. This week Mr. Andrews wrote that "the securities included in my portfolio were chosen to provide minimum management, and I feel that events occurring since submitting my entry have fully justified their inclusion. I have, therefore, nothing to add to my story."

By THOMAS ANDREWS

The investment recommendations which follow are based on the premise that the war will last three years which seems to be the general forecast of those whose business it is to know.

If our theoretical investor disagrees and is convinced that peace will be concluded within a few months and is ready to back his judgment to that effect he cannot do better than follow the three cardinal rules for investment, i.e., management—record—diversification, and buy utility, bank, beverage and tobacco stocks with a substantial backlog of Dominion and provincial bonds. All of these have been on the bargain counter for the past month or two and can be bought now to provide a reasonable income and the promise of capital appreciation if his opinion of a short war is proved correct.

On the other hand our investor may be a pessimist and look for a war of ten or more years. In this case the only advice I can give him is to lose no time in investing his capital in a well-equipped farm and an intensive course in agriculture, for no matter what market securities one might purchase now the certainty is that a 10-year spending programme on the implements of warfare, the wholesale destruction of property and loss of life would so cripple victor and vanquished as to lead inevitably to near cancellation of debt through inflation and finally drastic revaluation of money. Land only would be left as the foundation from which to start rebuilding and our investor would be secure in a livelihood and the knowledge that his resources were intact, even though the stigma of the timid soul in the parable of the talents might attach to him.

Taking the intermediate view, therefore, in agreement with Chamberlain, Churchill, et al., I base my portfolio on a three-year war, at the same time hedging as far as possible in either direction. Emphasis has been placed on the ability of the companies whose securities I buy to adapt their policies, to peace conditions though presently supplying the sinews of war.

Several important factors occur in wartime which influence all classes of securities. They are,

(a) High wages.

(b) Increased costs of raw material.

(c) Government control of profits.

It is obvious, therefore, that while a company may increase its turnover in wartime it does not necessarily mean that its profits will increase proportionately. Again a company may receive war orders necessitating the expense of plant expansion which cannot be economically utilized in time of peace.

For these reasons I have excluded from my list any company not having adequate plant facilities and large working capital. I have also excluded paper stocks, which, while, heretofore regarded as a businessman's investment, have been so erratic in recent years as to place them definitely in the speculative class.

Transportation securities will probably give a good account of themselves while the war lasts and some appreciation in capital value may be expected for Canadian Pacific Railway and Canada Steamships, but the payment of dividends is a long way off and a sudden end to hostilities might seriously jeopardise an investment in such stocks.

Liquor stocks are also out as a wartime investment by reason of the Government's rather uncertain attitude toward these securities in the way of prohibitive taxation and other control measures. The same objections apply in a lesser degree to utilities, to which must be added the fact that these companies would experience difficulty in adjusting their affairs to a period of inflation.

You will note that my list contains no preferred issues. Prices of preferred stocks in well-established companies suitable in my opinion for wartime investment appear out of line with common stocks and I prefer to pin my faith on the latter both for income and capital appreciation.

With the above eliminations my task of selecting a portfolio is comparatively simple and consists of the following:

Bonds—21%

I insist on a reserve fund of Government bonds and have selected Dominion of Canada 5's due 1941 as an anchor and a partial hedge against inflation. If the war continues for any length of time the Government will have to finance expenditures through large-scale borrowing and though there is not likely to be any immediate rise in interest rates it is impossible for public borrowing to remain indefinitely at a 3% level. Our investor will no doubt be able to convert his short term 5's to long term 4's before the bonds reach maturity.

Base Metals—24%

Nickel and Noranda will, I imagine, appear on every list submitted. Too much has been written extolling their investment virtues in peace or war to require repetition and it is sufficient to emphasize here the fact that new uses for the two principal metals produced are constantly being introduced and that while these stocks should give a good account of themselves in wartime the increasing use of their products in peace should assure appreciation in income and capital value over the long-term period. The investor in these stocks, however, should be warned not to expect greatly increased profits during the war. Rising costs and Government control will offset to a large extent increased production.

Automobiles and Equipment—11%

This group is represented by Ford Motors and National Steel Car. While the former's large export business is likely to suffer during hostilities it should be more than replaced by the award of various kinds of war orders. Ford Motors has, in my opinion never received the recognition it deserves as a businessman's investment. Its record, world-wide distribution of products and ability to meet changing conditions entitle it to inclusion in almost any investment portfolio.

I look on National Steel Car as a dyed-in-the-wool war baby, with this added attraction, that wear and tear on railroads is going to be excessive during the war and replacement of rolling stock will be heavy in the first years of peace. In the meantime the manufacture of planes for the British and Canadian Goverments will keep the company in full operation and dividends are reasonably assured for some years to come.

Foods—12%

While Loblaw and Ogilvie have strong appeal on account of their profit records and growth under varying conditions, their inclusion is also recommended because of the ease with which both companies could adjust themselves to a period of definite inflation.

Oils—5%

Owing perhaps to nervousness in some quarters over the future dividend policy of one of the leading companies and fear of further overproduction, there has been some sentiment in recent months against investment in the oils. The position of British American, however, differs from that of other companies in that it is not affected by disturbances and political interference in South America or Mexico, obtaining as it does its supply of crude from its own wells in the United States where it has tremendous potential possibilities for profit. The wide distribution of the company's products, diversification of its interests and dividend record over a period of 30 years warrants the inclusion of its shares in this list.

Textiles—9%

This group is represented by Dominion Textiles, another company with a 30-year dividend record. In addition to profits accruing from anticipated war orders it is more than likely that diminishing overseas competition will stimulate the company's ordinary domestic market, part at least of which should be held at the conclusion of hostilities. Excellent management and strong working capital position point to a continuation of present dividends.

Golds—18%

So far my list has been more or less conventional and in conformity with ordinary investment standards. My recommendation, therefore, to buy so heavily into gold stocks will no doubt shock the orthodox investor. I do this, however, with my eyes open and in the firm belief that chances favor a continuation of the present rates of distribution by most of the senior golds and the probability of early dividend payments by several of the younger producers. Since the war began the golds have met with little market support, due partly to the rush for base metals and other fast moving industrials and partly to the fear of crippling taxation. The Excess Profits Tax as presently constituted would undoubtedly prove an insurmountable handicap to many of the new producers, but it cannot be the Government's intention to dicriminate against the mining industry to such an extent that new enterprises would be discouraged, and it is confidently expected that measures will be taken to modify the tax before it goes into effect.

Much has been written in recent years regarding the possibility of the eventual overthrow of gold as a standard of value. Such heresy is hardly worth considering by the investor, as the complete abolition of a gold standard would mean the collapse of all capital investment. Present conditions, in fact, point definitely to an ever-increasing regard for gold, as witness the efforts of all warring nations to conserve their supplies. As the war continues belligerent powers will be compelled to lean more and more heavily on the issue of paper promises and the result can only be an eventual increase in the value of gold. Under these circumstances it is quite conceivable that gold may prove one of the final factors in the outcome of the war and that gold bullion may be Canada's principal contribution to the Allies' cause.

McIntyre and Dome each have ore reserves and liquid resources sufficient to assure continuation of present dividends for some years to come, irrespective of new developments. The junior golds I have selected on account of their aggresive managements, indicated ore positions, reasonable production costs and varying locations. Finally I depend on these stocks to show substantial capital appreciation and to provide the mild gambling element without which no investment portfolio is really complete.

Mines Dominate Choice

Reserve Fund

Amount $	Security	Price Oct. 9 $	Investment $	Income $	Price Dec. 4 $
10,000	Dominion of Canada 5% bonds, due 1941	106.50	10,650	500	105.60

Common Stocks

Shares	Security	Price Oct. 9	Investment	Income	Price Dec. 4
Base Metals					
100	International Nickel	46¾	4,675	200	44¾
100	Noranda Mines	72¾	7,275	400	75¾
Automobile and Equipment					
100	Ford of Canada "A"	21⅝	2,162	100	22
50	National Steel Car	65½	3,275	100	67½
Food and Milling					
100	Loblaw Groceterias "A"	27	2,700	125	27½
100	Ogilvie Milling Com.	35	3,500	100	33½
Oil					
100	British American Oil	23	2,300	100	23⅛
Textiles					
50	Dominion Textile Com.	86⅛	4,306	250	89½
Gold Mines					
50	McIntyre Gold	48⅝	2,431	100	55¾
100	Dome Gold	27¾	2,775	200	28½
100	Bralorne Gold	10⅝	1,063	120	11
500	East Malartic	2.35	1,175	..	3.20
500	Preston East Dome	1.38	690	..	2.18
500	Kerr Addison	1.77	885	..	2.10
	Total		49,862	*2,295	

* Equivalent to 4.60% on capital invested.

Quotations as at Oct. 9, 1939, in portfolio submitted. Current prices inserted in last column to bring figures up to date.

December Dividends Bring Year's Total Below 1938

Dividends to be paid by Canadian corporations in December this year will be $25.5 millions below the amount paid a year ago, according to an estimate made by The Financial Post and the total for 1938 will be approximately $28.7 millions below last year.

Even although 1939 dividends are not going to reach the high levels shown in the past two years, they will still be the third highest total disbursed by Canadian companies. The only years to exceed 1939's $297.2 millions have been 1938 with an estimated $325.9 millions and 1937 with $319.8 millions.

It is not hard to account for the drop in December payments this year from the high level of a year ago. In a sense the payments for Dec., 1938, were inflated by the inclusion of $15 millions, being a return of capital made by Andian National. This year, Andian is making no such disbursement.

Several Large Cuts

Largest reductions definitely announced this year are those of $7 millions each by Imperial Oil and International Petroleum. Last year, Noranda paid $2 a share in December instead of the $1 a share being paid this year, accounting for a drop of $2 millions. Lake Shore is also paying $500,000 less. Royalite Oil has also omitted its extra this year.

There are 16 companies paying extra dividends this month.

Canadian Ingersoll-Rand has increased its rate from $1 to $2 a share. Toronto Elevators has resumed payment with $1 a share on its common, the last previous payment having been made Oct., 1937. American Cyanamid is paying a special dividend in preferred stock.

Seven Cut Arrears

There are seven companies that are reducing arrears this month including Dominion Envelope & Cartons (Western), International Paints, Loew's London Theatres; Marcus Loew's, Reliance Grain, St. Lawrence Corp. and Silverwood Dairies.

Dunlop Tire is paying an initial dividend on its common stock, as is Paton Manufacturing.

A summary of monthly payments for this year as compared with the corresponding months of 1938 follows as well as details of payments scheduled for this month.

Monthly Dividends

	1939 $	1938 $
January	20,670,579	23,078,522
February	7,002,808	5,018,310
March	26,233,492	23,731,375
April	20,895,644	22,535,469
May	6,892,927	5,711,004
June	64,924,477	69,178,056
July	23,543,271	27,403,971
August	6,516,263	5,926,268
September	24,298,569	19,844,761
October	21,019,377	19,505,640
November	6,556,874	9,886,794
December	68,669,002	94,111,965
Total	297,174,290	325,932,135

Summary of December Payments

	1939 $	1938 $
Dividends	68,669,002	94,111,965
Bond interest	21,129,000	19,606,000
Total	89,798,002	113,717,965

Dividend Payments

Company	Rate $	Date	Amt. $
Aluminium	4	15	2,706,948
Do, pref.	1.50q	1	118,494
Amer. Cyan., A, B, spec.	*1	15	2,678,043
Andian National	1s	1	2,550,000
Do., extra	.50	1	1,275,000
Anglo-Can. Tel., A	.15q	1	73,065
Asbestos Corp.	.15q	31	90,000
Do., extra	.35	31	210,000
Assoc. Brew., c.	.75	22	178,500
Bank of Montreal	2q	1	720,000
Bank of Toronto	2.50q	1	150,000
Bk. Can. Nationale	2q	1	140,000
Bathurst Pr., A	.25	20	100,000
Beattie Gold	.05	7	240,134
Blue Top Brew., A	.30s	30	5,460
Bright, T. G.	.07½q	15	7,500
Do., pref.	1.50q	15	11,434
Bulolo Gold	1.50	11	1,500,000
Canada Bud	.20s	20	30,000
Canada Cement, pf.	1.25q	20	251,086
Can. & Dom. Sugar	.37½q	1	562,500
Do., extra	.25	1	375,000
Canada Malting	.37½q	15	74,614
Do., bonus	.50	15	99,486
Canada Vinegars	.30q	1	27,600
Can. Wire & Cable, A	1q	15	29,669
Do., B	.25	15	37,665
Do., pref.	1.62½q	15	46,704
Can. Celanese	.25q	30	65,102
Do., extra	1.50	30	390,613
Do., pref.	1.75q	30	175,000
Can. Inger.-Rand	2	4	190,400
Can. Int. Inv. Tr., p.	.50q	1	8,047
Can. Malartic	.03	15	109,540
Can. Tube & Steel, p.	3	15	45,000
Can. W. Nat. Gas	1	15	80,000
Do., pref.	1.50q	1	41,532
Can. Wineries	.15	12	17,100
Cap. Wire Cloth, p.	.37q	1	3,700
Celanese of Amer.	▲.50	1	500,000
Do., part. pref.	3.50s	31	518,626
Confederation Life	1.50	1	15,000
Coniaurum	.06	1	166,004
Cons. Div. Std. Sec., p	.37½s	15	13,462
Cons. Smelters	.50s	30	1,635,834
Do., extra	$1	30	3,271,669
Crow's Nest Coal	1.50	23	93,189
David & Frere, A	.15q	30	3,450
Do., extra	.10	30	2,300
Do., bonus	.25	30	5,750
Distillers-Seag.	.55½	15	967,167
Dom. & Anglo Inv., p.	1.25q	1	16,875
Dom. Envelope, pfd.	3.50s	1	14,805
Do, arrears	14	1	59,220
Dom. Foundries, p.	1.50q	1	18,000
Dom. Scot. Invest., p.	.50	1	24,568
Dunlop Tire, c.	†.50	29	28,384
Do., pref.	.62½s	31	20,592
Electrolux	.20q	15	247,500
English Elec., A	.62½q	15	26,622
Falconbridge Nickel	.07½q	29	250,313
Famous Players	.25q	28	101,381
Fanny Farmer	.37½q	20	144,295
Do., extra	.25	20	96,197
Ford Motor, A, B	.25q	16	414,740
Gatineau Power, c.	.20q	30	328,910
Do., extra	.05	30	82,225
Gen. Steel Wares, p.	1.75	15	78,750
Granby Cons. M.	.25	1	112,565
Gurd, Chas., c.	.30	20	18,000
Hallnor Mines	.18	1	360,000
Ham. Un. Theat., p.	1.50q	30	11,818
Hart Battery	.20	15	10,000
Hollinger Cons.	.05	2	246,000
Do., extra	.05	2	246,000
Howey Gold	.02	1	100,000
Hud. Bay M. & S.	1	11	2,757,973
Imperial Oil	.25s	1	6,741,269
Do., extra	.12½	1	3,370,634
Imperial Tob., ord.	.10q	30	945,103
Inter. City Baking	1.50	30	31,717
Inter. Nickel, c.	.50q	30	7,292,012
Indust. Accept., A	.50q	30	30,737
Do., pref.	1.25q	30	18,750
Inter. Petroleum	.75s	1	10,743,066
Do., pref.	.75s	1	150,000
Inter. Paints, pref.	1a	21	42,000
Do., arrears	.25	21	10,500
Int'l. Coal & Coke	.01½	15	45,000
Island Mtn. M.	.07	15	73,550
Lake Shore Mines	.75q	15	1,500,000
Lake of W. Mill., p.	1.75q	1	26,250
Laura Secord	.20q	1	57,500
Lava Cap G. M.	.04	20	97,830
Little Long Lac	.10	11	183,300
Loblaw Groc., A, B	.25q	1	207,089
Do., extra	.12½	1	103,544
Loblaw, Inc.	.20q	1	66,765
Loews London, pf.	.35	15	11,809
Louisiana Laund.	.05q	15	148,368
Macassa Mines	.05q	15	133,903
Do., extra	.05	15	133,903
MacKinnon Steel, p.	1.75q	15	8,312
Marcus Loew's, pfd.	1.75q	15	11,442
Do., arrears	1.75	15	11,442
McGillivray Coal	.01½	15	40,243
McIntyre Porc.	.50q	1	399,000
McK. Red Lake	.03	15	87,000
Do., extra	.02	15	58,000
Melchers Distill., pf.	.30s	30	37,500
Monarch Rylts.	.01	4	12,500
Montreal Cottons	.50q	15	15,000
Do., pref.	1.75q	15	52,500
Montreal Loan	.50q	15	12,000
Neon Prod. W. Can.	.35	20	19,192
N. Meth. Ldy., p.	1.62½q	1	4,062
Nipissing Mines	.15	11	180,000
Noranda Mines	1	15	2,239,772
Northern Empire	.40	12	160,000
Northwest. Util., p.	1.50q	1	15,189
N. S. Light & Pr., p.	1.50q	1	30,000
Ogilvie Flour, pf.	1.75q	1	35,000
Pamour Porcupine	.04	27	200,000
Pato Cons. Gold	.10	20	320,000
Pickle Crow Gold	.10q	30	300,000
Paton Manuf.	†.50	15	5,000
Do., pref.	1.75q	15	10,500
Power Corp., c.	.30	21	133,901
Perron Gold	.04q	21	80,000
Do., extra	.03	21	60,000
Prairie Rylts.	.02	4	25,000
Placer Develop.	.60	11	446,400
Provincial Bank	1.50q	1	60,000
Reinhardt Brew.	.10	1	17,715
Reliance Grain, pf.	‡3.25	20	65,000
Rolland Paper, pf.	1.50q	1	22,500
Royal Bank	2q	1	700,000
Royalite Oil	.50s	1	358,743
St. Law. Corp., A, p.	‡1	15	298,068
Sec. Can. Int. Inv., p.	.10q	1	3,714
Silverwood D., pf.	‡.20	1	29,000
Simon & Sons	†.15	22	4,507
Do., pref.	1.75q	22	4,757
Siscoe Gold	.03q	15	139,201
Do., extra	.01	15	46,400
Sovereign Life	1.25a	15	10,500
Stuart, D. A. Oil, p.	.20q	1	8,376
Sunset Oils	.02½	15	42,000
Sylvanite Gold	.05q	30	164,975
Toronto Elevators	1	7	52,318
Do., pref.	.66q	7	19,595
Union Gas	.20q	15	141,239
Walker-G. & W.	1q	15	724,004
Do., pref.	.25q	15	140,204
West. Can. Hydro, p.	.20q	1	10,762
West Koot. Pr., p.	‡1.75	30	8,750
Total			68,669,002

q—Quarterly. s—Semi-annually. a—annually. †Initial. ‡On arrears. *Interim. *Paid in preferred stock. ▲Additional dividend at rate of one common share for each 40 common shares held, payable Dec. 22.

Bond Interest Due in December

	1939 $
Municipal	6,830,000
Provincial	6,403,000
Dominion	7,896,000
Total	21,129,000

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A WARTIME INVESTMENT PORTFOLIO

Our recommendations on a well diversified wartime investment portfolio designed to meet present conditions were selected by the judges of The Financial Post Contest as one of the entries worthy of special consideration.

Our recommendations appear in the reading columns of this issue.

We will be glad to answer your enquiries.

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Ontario Reverses Trend Of Relief Expenditures

Improvement in business in the fall months is reflected in better unemployment relief conditions in Ontario.

At the end of October number of persons on relief in 40 municipalities of the province, which account for 85% of relief expenditures, decreased 11.3% from the same month in the previous year.

Relief expenditures were reduced, reversing the unfavorable trend for the earlier part of the year. For the seven months to the end of July relief expenditures increased 4.3% over the same period of 1938. By the end of October this increase had been cut to $321,389 or an increase of 2.1% from the same period in 1938. If conditions improve in November and December at this rate, it appears probable that relief expenditures for the year will be on the same or a better basis than in 1938.

Of the 40 municipalities included in the Ontaria Department of Municipal Affairs summary, 33 municipalities showed fewer persons receiving unemployment relief, while only seven increased.

Majority of the municipalities that showed increases in the number of persons on relief are those in the northern sections of the province. It is noticeable that Trenton and St. Thomas, which are likely to receive benefit from military activities show large decreases in persons on relief.

Tabulation of relief expenditures for the 10 months and number of persons on relief in Ontario follows:

Ontario Relief Expenditures
Ten Months Ended Oct. 31

	Total Expend. $	%
Decrease:*		
New Toronto	78,045	21.8
Sturgeon Falls	132,064	12.3
Sandwich East	49,278	12.0
Ottawa	1,030,391	10.9
Sandwich West	46,455	10.6
St. Thomas	52,892	10.6
Guelph	116,051	7.5
Scarborough	275,641	5.6
Windsor	1,055,646	5.4
Long Branch	62,441	4.8
York Township	1,011,156	4.7
Brantford	339,653	4.3
York, North	126,223	3.8
Trenton	84,140	3.2
Welland	74,908	2.8
York, East	442,744	1.9
London	405,295	1.9
Mimico	81,683	1.1
Toronto	5,833,627	.8
Oshawa	274,632	.8
Kitchener	130,117	.8
Etobicoke	121,511	.2
Increase:*		
Penetanguishene	50,819	.3
Toronto Township	59,308	.9
St. Catharines	251,493	2.0
Stamford	112,602	2.4
Niagara Falls	231,647	4.2
Stratford	108,074	4.6
Midland	109,750	6.9
Eastview	78,542	11.5
Peterborough	115,256	17.3
Rockland	55,593	19.0
Kingston	107,948	19.6
Hawkesbury	111,186	33.6
Hamilton	1,412,808	34.3
Sault Ste. Marie	141,337	54.3
North Bay	98,205	54.9
Port Arthur	181,297	56.5
Fort William	145,761	82.0
Sudbury	115,054	88.0
	15,311,292	†2.1

*Compared with 10 months in 1938. †Indicates increase.

Population on Relief

	— Oct. — 1939 %	1938 %	*Incr. or Decr. %
St. Thomas	1.9	3.3	—41.3
Fort William	2.1	3.0	—29.3
Sudbury	2.2	2.6	—13.7
Kingston	2.8	5.0	—47.5
Kitchener	3.0	4.4	—31.7
Sault Ste Marie	3.5	6.7	—47.1
Toronto Twp.	3.7	5.3	—26.2
Guelph	4.4	5.8	—22.6
North Bay	4.5	6.9	—35.2
Port Arthur	4.7	4.2	+15.9
Welland	4.7	8.2	—42.6
London	4.8	6.0	—20.2
Stratford	4.8	6.5	—27.8
Peterborough	4.9	5.8	—13.4
Etobicoke	6.5	7.3	—10.1
North York	6.9	8.2	—12.1
Ottawa	7.3	7.7	—4.4
St. Catharines	7.3	9.2	—19.1
Trenton	7.4	14.2	—45.0
Sandwich East	7.6	9.4	—6.9
New Toronto	8.2	13.3	—38.0
Hamilton	8.4	9.3	—8.9
Brantford	8.8	13.4	—32.6
Toronto	9.2	9.9	—6.5
Niagara Falls	9.8	13.3	—25.7
Mimico	10.5	12.5	—15.1
East York	10.7	12.6	—15.0
Scarborough	11.3	13.7	—17.0
Windsor	11.6	11.3	+3.7
York Twp.	11.7	14.8	—20.5
Long Branch	12.3	15.4	—17.6
Stamford	13.0	15.2	—12.4
Eastview	13.1	12.8	+1.8
Oshawa	13.4	17.5	—23.8
Sandwich West	14.2	16.0	—3.7
Penetanguishene	15.4	12.9	+19.5
Midland	19.5	17.1	+13.6
Hawkesbury	22.2	17.7	+28.8
Sturgeon Falls	38.9	52.5	—31.4
Rockland	45.4	36.0	+26.0
	8.5	9.5	—11.3

*In numbers of persons on relief, October, 1939, from October, 1938. — Indicates decrease. + indicates increase.

T.C.A. Traffic Record Gain

Returns for Ten Months Show Acceptance of Service — Fly 2.2 Million Miles

From Our Own Correspondent

MONTREAL.—Trans-Canada Air Lines in the first ten months of the current year carried 16,260 passengers, 359,939 lb. of mail and 34,700 lb. of express.

Since the first of the year T.C.A. planes have flown more than 2½ million miles. Revenue miles flown totalled 2,202,792. Training and survey flights accounted for approximately 325,000 miles.

In its report on operations the T.C.A. point out that trans-continental passenger schedules have been in effect only seven months out of the ten, that the west-bound tri-city service, linking Montreal, Ottawa and Toronto, was inaugurated in July and that the schedule in the opposite direction went into operation Nov. 1. Complete mail service between Montreal and Vancouver has been established only since March 1.

The T.C.A. hangar at Montreal's airport is now ready for occupancy. At Moncton the foundations are in, the steel for the wing is up and being bricked in. The temporary radio room is in operation. The Moncton hangar should be finished by the end of the year.

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Investing in Wartime

Diversifies as War Protection

Selection of Bonds and Stocks Covers Range of Industry

In addition to those to whom awards were given in its recent contest on "Investing in Wartime," The Financial Post is publishing a number of other entries.

Goodwin R. Harris, author of the accompanying article, is a partner in the Toronto stock exchange firm of Seagram, Harris & Bricker.

By **GOODWIN R. HARRIS**

It is not a difficult problem for the average Canadian businessman to find in time of war all the investment securities he could desire right within the boundaries of his own country. Canada is rich in natural resources, has definitely greater capacity for industrial production than in the last war, and is in a strategic geographical position to assist Britain. Canada is rightfully termed the "storehouse and arsenal" of the Empire and, therefore, there are unlimited opportunities for the careful investor.

In making up a list of investments for a businessman who is not dependent upon its income but who desires safety of principal, a fair return on his money and an opportunity under existing conditions for capital appreciation, care should be taken to provide a conservative background.

70% For Equities

The suggested division of the proposed $50,000 for investment is that approximately 30% be used for the purchase of bonds and 70% for equities, or roughly $15,000 is allocated for bonds and $35,000 for stocks. It does not appear sound where risks of inflation are involved, to buy fixed income securities, such as preferred stocks. Only two are proposed herein, one of which is convertible into common and the other, due to its low price. The policy recommended would call for a careful selection of investments in industries most likely to benefit from war activity and, in such stocks that are leaders in their respective fields.

In the selection of the individual stocks, careful consideration also should be given to continuity of the management and policies which in the past have proved themselves, and led to success. Although this feature is of major importance at all times, it probably is of even more importance at present. Due to the many unusual circumstances which surround industry in wartime, the capabilities of its management may well be a vital matter to a company, and, in consequence, to the holders of its various securities.

The bonds recommended for purchase are chosen primarily for security of principal. At the same time, every businessman should, for patriotic reasons, help to provide his country with funds to prosecute this war. It is, therefore, not unseemly that he should set aside approximately one third of his capital for this purpose.

War Bonds

Inasmuch as no new Government loan is expected to be offered until some time in 1940, the bond list given is arranged so the investor may be in a position to buy the new bonds without serious capital depreciation. Ten thousand five hundred dollars is set aside immediately for short-term Government obligations. The balance of the bond money is temporarily placed in corporation bonds of companies most likely to react favorably to war conditions. It is suggested also that should these approach par, they be liquidated, and short-term Dominion obligations purchased. The coupon rate on Canadian Governments may gradually work higher. Consequently, this policy may be accomplished without loss to the investor.

Industrials

If Canada is to be the storehouse of the British Empire, it seems reasonable to assume that the primary industries are the ones which should be given closest attention. Conversely, luxury stocks are those to avoid. In my list companies have been grouped into profitable war industries, with a proportion of the available funds allotted to each industry.

It is natural to choose for the largest percentage the basic steel industry, closely followed by the important food industry, as these are the two primary adjuncts to war.

The power and oil industries must take a prominent position since the wheels of the vast mechanical forces have to be moved and lubricated. In the effort to pay as we go, the gold industry will be of assistance, now benefitting as well from a 10% premium on U. S. funds.

The Empire produces its requirements in base metals and has recently arranged to take 80% of Canada's copper production. Pulp and paper are among Canada's chief exports. Now, on account of the difficulty involved in the transportation of Scandinavian production, Canada again has a marvellous opportunity to win back lost markets. To properly equip our machine shops, railroads, and to produce articles of war, the equipments should have a prominent place. In order to care for and distribute the resultant articles, the rails will benefit greatly. Canada's fighting forces will of necessity require clothing and, consequently, this division is also included.

Yield 3.48%

In the matter of yields, the average of the bonds amounts to 2.46% and the stocks to 3.92%, so that the composite yield on the total investment is 3.48%. This may at first glance appear low, but higher rates can be obtained as the plan is carried further. Some $4,607.50 or 9.2% is utilized in non-dividend paying stocks, but the securities selected are such as to give high leverage possibilities to the entire list, allowing for further appreciation. Slight increases in dividends would readily bring up the stock average above 4%. Care should be taken to accept any sizable profits which would enhance the capital position.

Should the unexpected happen by way of a short war, it is estimated the list provides sufficient securities, taken upon normal peacetime prices, to offset the drop of those directly benefitting from war conditions. The diminution in value of the total list should not be greater than 3% under those conditions, or less than one year's dividends. While upon the resumption of peacetime activities on a "normal" scale, there is no reason to believe that the great majority of the securities on the appended list would not at least sell at levels equal to those existing at present.

BONDS

The Dominion of Canada 1½% bonds due 1942 are suggested with a view of replacement at a later date with new Government bonds at a higher rate of interest. In the corporation field, Nova Scotia Steel bonds are attractive for their conversion privileges, applying up to April, 1940, into 40 shares of Dominion Steel & Coal "B" stock per bond.

General Steel Wares already are extremely busy, being an important factor in the production of steel products. This bond provides ample coverage.

Massey Harris 4¼'s appear underpriced in view of the security behind them, while Lake St. John 5½'s due July 1, 1961 provide ample coverage in an interest bearing pulp and paper bond selling at reasonable levels.

The Companies

STEELS

Any list of Canadian steels would be incomplete without the inclusion of Steel of Canada, considered outstanding as a producer of a line of steel products, requisite for war purposes. Its strong financial position and plant capacity make it a leader.

Dominion Foundries & Steel has had remarkable success and appears to be one of the most aggressive companies in rolling of tin plate, rail business and castings. All sections are now working to capacity.

Dominion Steel & Coal is Canada's main steel company, being fully integrated from the iron mine to the finished product. It also owns a large shipbuilding dock, coal mines and fabricating plants.

FOODS

With large packing plants from coast to coast managed by a group of aggressive executives, Canada Packers is a leader in the meat and allied food industry. It is likely, as in the last war, that exports will bulk large with an ever-growing share of the British bacon market.

Loblaw "B", which shares are voting, is the leader of the retail food chains in Ontario. Merchandising methods above the average contribute to its success.

Large carryovers of canned goods, already marked up in price, along with this year's pack, make for larger profits for Canadian Canners. In this instance the Second Preferred stock is suggested. It is on a dividend basis and convertible share for share into common.

UTILITIES

Already a growing demand has been created for power, which will undoubtedly increase. Shawinigan, operating in the thickly populated industrial area of Quebec, selling to the asbestos mines, the pulp and paper industry and their own highly important chemical plant, makes the stock very attractive.

Beauharnois, in which Montreal Power has a controlling interest, may expect higher sales of power to its parent company as well as to the Province of Ontario. It is included in the list for its expansion possibilities.

Increased industrial activity and rising prices for secondary power should lead to a larger demand for the gas and coke produced by Union Gas and its subsidiaries.

OILS

The production and sale of oil is likely to become more important than ever. Especially is this so due to the announced policy of training thousands of fliers in various parts of Canada. British American Oil controls large sources of oil in the United States and produces a high octane rated gasoline for aircraft. The satisfactory position of the company marks it as a leader.

International Petroleum, while its sources of production are in South America, might have the advantage of selling its products, without interference, at world market prices. Its large potential capacity further enhances its possibilities.

As western Canada oil fields open up, the leader undoubtedly will be Royalite, a large producer and processor of oil products.

GOLDS

There is an impression that golds are not attractive during wartime. However, changed conditions have been brought about by the proposed cash-and-carry legislation of the United States. In choosing representative gold stocks, two appear to stand out:

Dome Mines, on account of its satisfactory record from its Porcupine and Quebec properties and its strong ore reserves, while McIntyre is in a category almost unique, due both to new discoveries and to its cash position, ensuring the shareholders continuity of dividends. Yields are augmented by payment in U.S. funds.

BASE METALS

Copper, lead and zinc are all necessary requirements in wartime. Noranda will supply Great Britain from its own low cost mine, exclusive of custom ore, 91% of its copper. It is also a large gold producer, so is ensured satisfactory prices for its output. Hudson Bay will supply 90.4% of its 1938 production to Britain. It is, as well, a large contributor of zinc. These two stocks, therefore, appear to be outstanding in this group, considering all factors involved by changed conditions.

PAPERS

It is yet extremely difficult to choose a paper common stock paying the investor a dividend. Niagara Wire Weaving supplies the paper industry with wire for their Fourdiniere machines, and is credited with a very large share of this business. A chart of its previous market action appears identical to paper securities with the exception that it has never dropped in the same proportion. It is suggested, therefore, that this security provides a conservative basis, meanwhile, to participate in these developments.

EQUIPMENTS

National Steel Car is a leader in the equipment field and, in the past few years, has been manufacturing aircraft. In addition, it is equipped in a large way for all manner of war business, and should maintain its position.

Massey-Harris can supply tanks and heavy equipment as required. With conditions in the West improving, its own regular lines should show a corresponding upturn.

RAILS

Canadian Pacific recommends itself after many years of depression, on account of signs of change in its fortunes, net gains being up 74% in the last nine months.

TEXTILES

Dominion Woollens and Worsteds is one of the most important Canadian plants fully equipped to handle and manufacture woollen goods. With its keen management, it should prove successful.

Favors Diversification

Bonds

% of Total	$		Price Oct. 28 $	Cost $	Rate %	Yield %	Annual Income $	Bid Price Dec. 4 $
20.8	10,500	Dominion, '42	99¼	10,421.25	1½	1.80	157.50	99
	2,000	N. S. Steel, '63	89	*1,780.90	3½	4.25	*70.00	81½
	1,000	Gen. St. Wares, '52 ..	101	1,010.00	4½	4.40	45.00	98½
	1,000	Massey Harris, '54 ...	95½	955.00	4¼	4.70	42.50	93
9.3	1,000	Lake St. John, '61 ...	88½	885.00	5½	6.40	55.00	87½
30.1				15,051.25		2.46	370.00	

Common Stocks

	Shs.		Price Oct. 28	Cost $	Divd. $	Yield %	Annual Income $	Price Dec. 4
Steels								
	25	Steel of Can.	87	2,182.50	1.75 & 2.00	4.31	93.75	85
	50	Dom. Found. .	39	1,962.50	1.00	2.56	50.00	35
11.7	100	Dosco "B" ...	17	1,720.00	nil	...	.....	15
				5,865.00				
Foods								
	25	Can. Packers	102	2,557.50	3.00 & 1.00	3.92	100.00	101
	75	Loblaw, B ...	27	2,043.75	1.00 & .25	4.63	93.75	26
9.9	25	C. Canners, "B"	14	353.75	.60	4.28	15.00	12¾
				4,955.00				
Utilities								
	100	Shawinigan .	24	2,420.00	.90	3.75	90.00	23
	100	Beauharnois .	6⅞	700.00	nil	...	....	5
9.4	100	Union Gas ..	15½	1,570.00	.80 & .20	6.45	100.00	15½
				4,690.00				
Oils								
	50	B. A. Oil	23	1,160.00	1.00	4.35	50.00	23⅛
	50	Int'l. Pete. ..	27⅝	1,383.75	2.00	7.23	100.00	23¼
9.1	50	Royalite	40	2,012.50	1.50	3.75	75.00	33¾
				4,556.25				
Golds								
	100	Dome	29	2,925.00	*2.00	6.90	*200.00	28½
8.8	25	McIntyre	58½	1,468.75	2.00 & *1.00	5.13	75.00	55¾
				4,393.75				
Base Metals								
	25	Noranda	79	1,981.25	4.00	5.06	100.00	75¾
7.4	50	Hudson Bay .	34½	1,737.50	1.50	4.35	75.00	31
				3,718.75				
Papers								
5.4	100	Niagara Wire Weaving ...	26½	2,675.00	1.00	3.77	100.00	24
Equipments								
	25	Nat. Stl. Car	71½	1,795.00	2.00	2.80	50.00	57½
5.2	100	Massey-Harris	8	812.50	nil	...	....	6¼
				2,607.50				
Rails								
1.4	100	Can. Pacific .	7	712.50	nil	...	....	6⅛
Textiles								
1.3	100	Dom. Woollens preferred	6½	662.50	nil	...	....	5½
69.68				34,836.25		3.92	1,367.50	

* Payable in U. S. Funds.

Recapitulation

	$
Bonds	15,051.25
Common Stocks	34,836.25
Total Investment	49,887.50
Cash Balance	112.50
	50,000.00
Yield over all	3.48%

Quotations in portfolio submitted Oct. 28. Approximate current prices inserted in last column for purposes of comparison.

Your Investments

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Dryden Paper

I hold some shares of stock in Dryden Paper Co. and would like to know how this company is getting along. Is it a good stock to hold for appreciation?

Recent official reports on Dryden Paper Co. indicate that the company is doing considerably better at present. The plant is operating at capacity and the company reports that there is some delay in making deliveries. Demand for its various manufactured products has come from the western provinces. At the same time advance in price for kraft pulp has brought about an improvement in the company's revenue from the sale of surplus pulp. Prospects are that earnings for the present year will be on a larger basis and for that reason the stock is regarded as an attractive speculation.

Laura Secord

Would you outline for me prospects for Laura Secord Candy Shops and give any effect that war is likely to have on operations?

John D. Hayes, president of Laura Secord Candy Shops told shareholders at the annual meeting that the management of the company did not expect that business would suffer as a result of the war. He stated that he did not believe the price of sugar would go much higher and that the company was assured of a good supply of chocolate. At the same time he announced that business in October showed an increase of about 4% over the same month a year ago.

As far as it is ascertainable, the company may not expect any serious curtailment of its business. On the more optimistic side is the factor of increased industrial activity and what increased buying power will mean to organizations such as Laura Secord Candy Shops.

Laura Secord is a leader in the candy field in Canada. Sales and earnings over a period of years have shown good increases and net profit in the year ended Sept. 30, 1939, increased to $286,787, from $232,916 in the previous fiscal year. Much of this improvement may be attributed to improvement in operating results and to profit on sale of investments, which amounted to $59,029 in the 1938-39 fiscal year. On the basis of the present stock, earnings were equivalent to $1 in the past fiscal year, against 81 cents in the previous year. Dividends are being paid on the common stock at the rate of 80 cents annually, a payment maintained since the initial dividend made on Dec. 1, 1938, on the present shares. At Sept. 30, 1939, working capital amounted to $1.8 millions, although down somewhat from that at the end of the previous fiscal year.

Loblaw

Would you kindly summarize the current position of Loblaw Groceterias Co?

Loblaw Groceterias Co. is one of the best-known food merchandising organizations in the Dominion, possessing an excellent record of successful operations. A good indication of the regard in which this stock is held is given by the yield on the class B stock. This is approximately 4.7%, a yield which the investors accept on only the best type of equity.

Investors' appraisal of the stock is supported by a long record of satisfactory sales and earnings. In the year ended May 27, 1939, despite lower prices for many stable commodities, the company was able to increase sales more than $1 million over the previous year. In 12 weeks of the current year to Aug. 19, sales were up nearly 10% and profits again showed an increase, amounting to nearly 6%.

On the combined A and B stocks earnings were equal to $1.49 in the 1939 fiscal year, against $1.42 in the previous year. Dividends on both classes of stock are being paid at the rate of $1 a share annually, plus two bonuses of 12½ cents, which makes annual payments of $1.25.

Although in the past year the company had one less store in operation, it is gradually changing to the market type store, handling meats, fruit, and vegetables, in addition to groceries, which has the effect of increasing unit sales. The company is continually carrying out a programme of enlargment and improvement to its various stores. One factor which is likely to be of additional benefit to the organization is reorganization of Loblaw Groceterias, Inc., a U. S. company, in which Loblaw Groceterias Co. owns approximately 11% of total issued capital stock.

Steel of Canada

Would you be kind enough to send me information as to capitalization, earnings and outlook for Steel Co. of Canada. Are its common shares a good investment?

Steel Company of Canada is one of the largest units in the steel industry in the Dominion. It is engaged in all branches of steel production and manufactures a wide variety of products. It has outstanding $3 millions of 6% first mortgage bonds; 259,852 shares of 7% preference stock, par value $25 each; and 460,000 no par value ordinary shares. The company is well managed and has an excellent record. The outlook is favorable. It enjoys a strong financial position. Working capital at the end of 1938 amounted to $14.4 millions.

Net profit of the company in 1938 was equivalent to $5.65 a share on the ordinary stock, as compared with $8.10 a share in 1937. Earnings in the current year may be higher than in 1938. Profits to date are somewhat higher than those of 1938, over the same period. Furthermore, the company's plants are now operating at full capacity.

As a primary producer of iron and steel the company will participate directly or indirectly in orders for munitions placed in Canada. The common shares enjoy a high investment rating.

Sask. Bonds

I would like to have your comments on Province of Saskatchewan bonds.

The Province of Saskatchewan is in a difficult financial position. It has been able to meet its obligations in recent years only through aid from the Dominion Government. Unless something is done to improve the financial position of Saskatchewan the bonds cannot enjoy a good investment rating. In fact, the outlook for the bonds is dependent upon an adjustment in Dominion-Provincial relations arising out of the report of the Royal Commission that has been studying that subject. This report should be available in the near future

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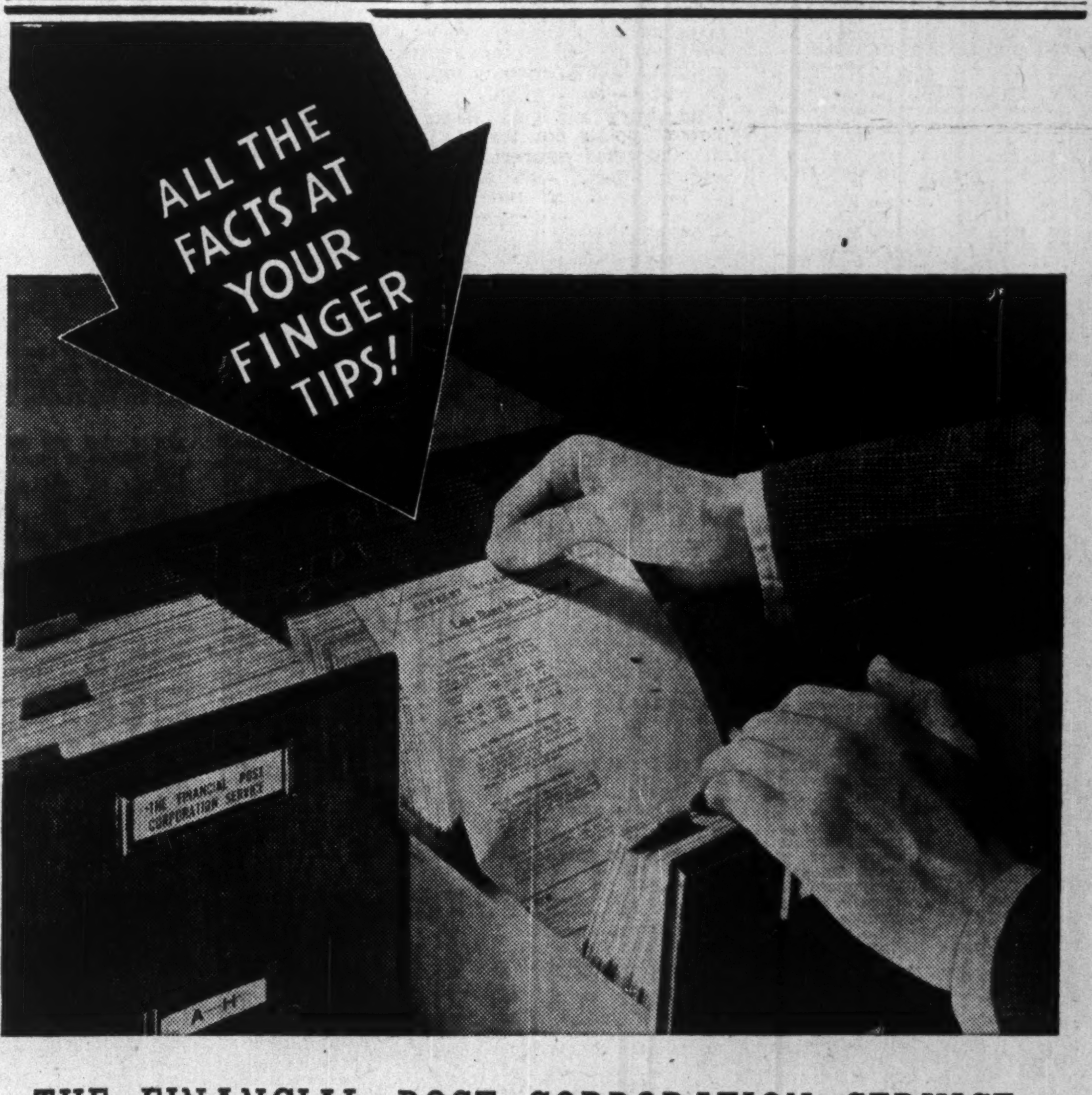
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places at your finger tips the essential investment facts you must have in deciding on a wartime portfolio. The information is complete, accurate and dependable and a daily news service keeps you right up-to-date on current operations and changing conditions affecting any company.

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The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

THE WEEK'S QUOTATIONS

WEEK ENDING DECEMBER 4

Range 1939 High	Low	Div R'te $	Dec 2 Y'ld %		Sale	Last Nov. 27	Week end. Dec. 4 H	L	Cl'se
				A					
3⅞	1	.	...	Abitibi	4205	1⅞	1⅞	1½	1⅞
21½	3½	.	...	Do. pref. 6%	3731	13	13	12	12⅞
38	4	.	...	Do. pref. 7%	....	(16 bid 30 asked)			
6	2	.	...	Acme Glove	1	5½	5	5	5
50	50	.	...	Do. pref.	50	..	50	50	50
11½	9½	60+20c	7.3	Agnew Surp.	55	11	11	11	11
111	104	7	6.4	Do. pref.	....	(105 bid 110 asked)			
4⅞	1	.	...	Alta. Pac. Gr.	....	(2½ bid 3½ asked)			

Range 1939 High	Low	Div R'te $	Dec 2 Y'ld %		Sale	Last Nov. 27	Week end. Dec. 4 H	L	Cl'se
16½	11	80+5c	5	Gatineau Pwr.	1526	15½	16½	15½	15½
96	78	5	5.4	Do. pref.	184	94	94	92	93
104	100	5.50	5.4	Do. 5½% pref.	115	102	102½	101	102
6	2⅞	.	...	Do. Rights	570	5⅞	6	5½	5⅞
12	4½	.	...	Gen. St. Wares	1027	9½	9½	9	9½
92½	55	7	...	Do. pref.	61	89	89⅞	88½	88½
90	66	2.50+5	8.6	Goodyear Tire	35	87	87	86½	86½
58½	52½	2.50	4.6	Do. pref.	80	53⅞	55½	54	55
50	50	2	...	Gould Pump p.	....	(— bid — asked)			
9½	5	.	...	Gt. Lakes Pap.	....	(— bid 8⅞ asked)			
28	12	.	...	Do. pref.	....	(27 Nov. 24)			
10½	2½	.	...	Do. Vot. Tr. c	17	8	7½	7½	7½
29½	9½	.	...	Do. Vot. Tr. p	139	26	27	25½	27

Mining Stocks

Week Ending December 4.

Oil Stocks

Vancouver Stocks

Oil Quotations

Winnipeg Stocks

(Transactions from Nov. 27 to Dec. 2)

	Sales	High for period	Low for period	Close Dec. 2
Berens River	103	1.15	1.10	1.15
Beresford Lake	500	.22	.22	.22
Central Manitoba	2,500	.04¾	.04	.04
Dominion Envelope	55	5.25	5.25	5.25
Do., pref.	5	87.00	87.00	87.00
Flin Flon	8,800	.01½	.01½	.01½
Federal Grain pref.	30	42.00	40.50	42.00
Great-West Life	1	230.00	230.00	230.00
Great Lakes M. & S.	500	.03	.03	.03
Gurney Gold	2,000	.01	.01	.01
Island Lake	500	.00½	.00½	.00½
Lake Dufault	200	.25	.25	.25
Ore Grande	900	.05	.05	.05
Rice Lake	5,000	.00⅝	.00⅝	.00⅝
Star Lake	1,000	.00½	.00½	.00½
United Grain	32	9.25	8.00	9.25
Western Grain, pfd.	10	8.50	8.50	8.50
West. Steel	25	8.50	8.50	8.50
Western Breweries	25	1.50	1.50	1.50
Western Life, 20% paid	5	15.00	15.00	15.00
Wingold	10,500	.05¾	.05	.05¾
Winnipeg River Tin	1,000	.00½	.00½	.00½

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	Home Invest.	10	..
Beav. Lumber, c.	2¾	..	Nor. Can. Mtg. p.	2.50	..
Do., pfd.	97	100	North. Trusts	6	..
Can. Indemnity	125	..	Reliance Gr., pf.	64	..
Cres. Cream., pf.	10	..	Traders Bldg.	60	..

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Dec. 5	28,700	30,200	461,000	10,970
Dec. 4	11,100	17,400	397,000	36,850
Dec. 2	7,700	48,600	209,000	29,865
Dec. 1	20,800	52,200	325,000	31,180
Nov. 30	22,700	41,800	365,000	33,625
Nov. 29	24,300	101,300	320,000	35,940

Government Bonds

Dec. 6, 1939 (Supplied by Investment Dealers' Assoc. of Canada)

Dominion of Canada Bonds

%	Due	Bid	Ask	Approx. Yld.
1½	June '40	99⅞	100⅛	.80
4½	Sept. '40	102¼	102⅝	.95
1	Mar. '41	99⅝	99⅞	1.10
5	Nov. '41	105¾	106¼	1.78
1½	May '42	99	99½	1.70
2	June '42	100½	101	1.60
3	Oct. '42	102⅞	103½	1.80
2½	June '43	101½	102	1.90
5	Oct. '43	109	109½	2.44
2	June '44	99	99½	2.12
a2½	Jan. '44	94½	95½‡	3.51
4½	Oct. '44	108½	109	2.53
2½	Nov. '44	100½	101½	2.24
a2½	Aug. '45	94	95‡	3.48
4	Oct. '45	104½	105	b2.64
4½	Feb. '46	108½	109½	2.85
3½	June '49	99⅞	100½	b3.16
3½	Oct. '49	100½	101½	b3.21
3½	Nov. '51	99	99⅞	3.27
a5	May '52	103	104‡	b3.25
4	Oct. '52	104	104⅞	b3.31
3	June '55	95	95⅞	3.35
4½	Nov. '56	106½	107½	b3.32
4½	Nov. '57	107½	108	b3.34
3	June '58	94½	95	3.36
4½	Nov. '58	108	108⅞	b3.35
4½	Nov. '59	108⅞	109½	b3.37
a4	Oct. '60	97	98‡	4.15
a3½	Jan. '61	89½	90½‡	3.93
3½	June '66	96½	97½	3.41
a3e	Jan. '67	85⅞	86½‡	3.78
a3e	Nov. '68	85½	86½‡	3.77
a3†	Pepet'l.	87⅞	88½	3.39
Dominion Guaranteed Bonds				
Can. Nat'l. Railways:				
2	Feb. '43	99½	100½	1.91
2½	Jan. '46	96⅞	97⅞	2.63
3	May '44	102	103	2.28
3	Dec. '50	96½	97½	3.29
3	Feb. '53	95	96	3.37
3	Jan. '59	93½	94½	3.42
*4½	Sept. '51	111⅞	112⅞	3.21

%	Due	Bid	Ask	Approx. Yld.
*4½	Feb. '56	112⅞	113⅞	3.40
c4½	July '57	113	114	3.45
*4½	June '55	115½	116½	3.40
5	Feb. '54	115	116	3.57
*5	July '69	112½	114	b2.75
*5	Oct. '69	115½	117	b3.40
*5	Feb. '70	115½	117	b3.45
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	89	91	3.95
3½	Aug. '49	92½	94½	3.94
3½	June '56	92	94	4.00
c4	Nov. '47	99	101	b3.80
c4½	Apr. '61	103½	105½	4.11
c5	Jan. '60	107	109	4.32
Nova Scotia:				
3	Jan. '52	92½	94½	3.55
3½	June '56	93	95	3.65
3½	Nov. '50	97	99	3.61
c4½	Sept. '52	106	108	b3.32
c4½	Nov. '60	107	109	3.87
c5	Mar. '60	112½	114½	3.96
Ontario:				
2½	May '45	97½	99½	2.60
3	Apr. '48	96⅞	97⅞	3.30
3	Nov. '50	96	97	3.33
3½	Nov. '51	98½	99½	3.30
*4	June '62	104	106	3.61
4½	June '50	108⅞	109⅞	3.39
*4½	Jan. '62	111	113	3.64
5	Oct. '48	111½	112½	3.36
*5	Dec. '60	116½	118½	3.72
5½	July '46	111⅞	112⅞	3.32
Ont. Hydro Commission:				
3	Aug. '48	96½	97½	3.33
3½	Feb. '53	97½	98½	3.39
3½	Apr. '47	100	101½	3.26
Prince Edward Island:				
3	Oct. '45	97	99	3.19
Quebec:				
3	Nov. '47	95	96	3.58
3	Nov. '51	93	94	3.62
3½	Mar. '48	96	97½	3.60

%	Due	Bid	Ask	Approx. Yld.
3½	June '52	94½	96	3.65
4	Mar. '52	100	102	3.80
4½	Aug. '58	103	105	3.87
4½	Jan. '63	105½	107½	4.09
Alberta:				
4	Dec. '54	61½	65½	d
4½	Oct. '51	67	..	d
c4½	Oct. '56	62½	66½	d
*5	Oct. '59	64½	68½	d
c5½	Apr. '52	65½	69½	d
6	Mar. '47	69	73	d
British Columbia:				
c4	Dec. '57	98½	101½	3.88
*4½	Jan. '51	101⅞	104⅞	3.96
c4½	Oct. '53	101⅞	104⅞	4.05
c5	Apr. '54	103⅞	106⅞	4.36
5½	Feb. '45	104½	107½	3.94
6	Feb. '47	106½	109½	4.48
Manitoba:				
c4	Dec. '57	86½	90½	4.82
c4½	Dec. '56	90½	94½	4.98
*5	Dec. '59	95½	99½	5.04
5½	Oct. '55	97⅞	101⅞	5.34
6	Apr. '47	99½	103½	5.41
Saskatchewan:				
4	Sept. '54	71	75	6.88
4	Nov. '60	70	74	6.24
c4½	Oct. '51	78	82	6.70
c4½	Mar. '60	74½	78½	6.40
5	Aug. '58	82	86	6.27
5½	Oct. '52	83	87	7.04
6	Mar. '52	87½	91½	7.03

*Payable Can., N.Y. & £. b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. †–Callable on or after Sept. 15, 1966. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium. ‡–N.Y. funds.

Unlisted Stocks

Dec. 5, 1939 (Furnished by A. J. Pattison Jr. & Co., Toronto)

Industrials:	Bid	Ask.
Acme Farm., p.	16½	20½
Andian National	34½	36
Anglo C. Tel., A	8½	9
Atlas Steel	..	17
Do., pref.	103	107
Barrymore, pfd.	20	..
B. C. Pulp, c.	16	18
Do., pfd.	..	50
B. C. Sugar	92	95
Burns & Co., A	7½	8
Do., B	3⅞	4½
Canada Tea, pf.	22	24
Can. G'drich, c.	1½	..
C. I. L., A c.	245	..
Can. Ing. Rand	138	141
Can. Tube, 1st p.	68	72
Chase, A. W., p.	26	27
Claude Neon, p.	5⅞	6½
Cons. Sales B. p	..	75
Cop. Flour Unit	12½	..
Dom. Manuf., p.	61	65
Dom. Wooll's. p.	5	5⅞
Dunlop T., p $25	22½	..
Easy Wash. p $10	8½	9½
Fed. Grain, pfd.	42	44
Do., com.	2	2⅞
Goderich Elev.	9	9⅞
Guard. Realty, p	13	..
Guelph Carp., p	101	103
Do., com.	13½	..
Hayes Steel, c.	22	23
Do., pfd. ($10)	10½	11
Hi'land Dairy, p	73½	76
Do., com.	2½	..
Kingston Sh. un.	18	20
Loblaw Inc., c.	11½	11½
Morrison Br., p.	4½	5½
M'row Screw, p.	99	..
Do., com.	9	..

	Bid	Ask.
Neilson, Wm., c.	8	..
Do., pfd.	104	..
N. B. Tel., c.	12½	13½
N. Meth. Ldy., p	65	70
Office Spec., p.	72	..
Ont. Tob., pfd.	20	23½
Paterson, Wm. p	102½	104½
Prov. Paper, pf.	105½	107
Reliance Gr., p.	64	..
Rob'tson P. L., p	92	..
Rob. Cons. Cone	8½	9
Ruddy, E. L., p.	27	30
Seal O Sac (Can)	4	5
Stand. Fuel, c.	1½	..
Do., pfd.	56	60
Stedman, p., $50	56½	58
Tor. Carpet, c.	19	22
Do., pfd.	54	56
Un. F. Co-op.	2½	2⅞
Un. Steel, A pf.	22½	23½
Viceroy, p & rts	23½	25
Weston Hold.	..	6
Trusts & Loan Stocks:		
Brit. Mtge.	151	154
Com., Fin., c.	2⅞	3½
Guaranty Tr.	96	100
Guelph & O. $50	53½	55½
Lambton Loan	31	34
London & West.	38½	40½
Sherbrooke Tr.	120	..
Sterling Trust	56½	..
Traders Fin. B. c	13½	..
Do., A pfd.	81	85
Trusts & Guar.	27½	28½
Waterloo Trust	99	..
Insurance Stocks:		
Brit. Amer.	57	..
Canada Life	455	475
Confed. 30% pd.	147½	152

	Bid	Ask.
Crown, fully pd.	265	..
Dominion Fire	135	..
D. of Can. Gen.	116	125
Empire, 25% pd.	5	6½
Excelsior, 32% p	56	60
Federal, 25% pd	51	54
Great-West Life	220	230
Halifax Fire	22	24
Imperial Life	290	305
Manufac. Life	215	225
Monarch 10% pd	23	24
Sov. L., 25% pd.	12	14
Sun Life	360	380
Tor. General	5½	6
Wellington Fire.	58	62
Western Assce.	48	50
Theatre Stocks:		
Allens Lond., p.	51	54
Do. St. Cath. p	53½	56½
Do., Tor., p. c.	32½	36
Mansf. Thea., p.	27	30
Para. Kitch., p.	52	54
Do., Oshawa, c	11	12
Investment Trust Shs.:		
Can. Investors	6½	7
Deb. & Sec., pf.	65	..
Inv. Found. Unit	56½	..
Sec's. Hold., pfd.	21½	..
United Corp., A	22	24
Do., B	9½	10½
Power Issues:		
Can. W. N. Gas	24	..
Do., pfd.	99½	101½
Int. Util., 1.75 p	17	20
Do., 3.50 pfd.	34	37
Gt. Lakes Pr., p	101½	103
Mtl. Is. Pwr., p.	20	24
Nor. Ont. Pr. p.	95	..

Unlisted Mines

Toronto, Dec. 5, 1939

	Bid	Ask
Addington	.05	.06
Albany R	.17	.18
Allied IS	.41	.43
Amal Kr	.18	.19
Amorada	.05	.07
Anoki	.14	.16
Arjon	.01½	.02½
Armistice	.01½	.02½
Argosy	.03½	.04½
Arno	.01	.02
Area	.04	.04½
Athona	.02⅞	.03½
Barb Lar	.01½	.02½
Beresford	.20	.23
Bilmac	.01½	.02½
Bounty	.24	.26
Brown C	..	.80
Buf Beard	.05½	.06½
Calder Bo	.01½	.01½
Cana Rad	.14	.16
Central M	.03⅞	.04½
Cheminis	.05½	.06
Cocheno'r	.79	.81
Coin Lake	.06½	.07½
Crescent	.04⅞	.05½
Crowshore	.05	.08
Dayton	.03	.04
Delnite	1.00	1.10

	Bid	Ask
Desants n	.16	.18
Dona Pat	.12	.13
Donwood	..	.04
Doreva Q	.15	.17
Elmos	..	.04
Franco	.45	.50
Frontier	.02½	.03
Galore	.02	..
Gate Pat	.01	.02
Hallnor	7.25	7.50
Hiawa'ha	..	.40
Hislop	.00⅞	.01½
Hoyle nw	.27	.29
Hugh PaP	.04	.05
Hutch Lke	.01½	.02½
Jason	.37	.40
Keora	.03	.03½
Kenricia	.06	.07½
Kewagama	.02½	.03½
Kiena	.12	.14
Kirk Gate	.01½	.02½
Lacoma	.01	.01½
Lake Duf	.27	.30
Lake Gen	.12	.14
Lardego	.03½	.04
Magnet C	.68	.70
Magnet L	.14	.16
Martin Br	.02½	.03½

	Bid	Ask
Margaret	.10	.13
Mata Can	.04	.05
Mof Hal n	.01½	.02½
Mooshla	.06	.07
Mosher	.10	.11
Nat Mal	.32	.35
Negus	.75	.78
New Aug	.26	.27
N Ribago	.03⅞	.04
Nickel O	.70	.80
Norbeau	.33	.38
Norlake	.01	.02
North Am Mol'm	.75	.85
Oklend	.12½	.14
O'Leary	.02	.03
Opemiska	.06	.08
Oriole	.01½	.02½
Orpit	.03½	.05½
Ossian	.01	.01½
Pascalis	.25	.30
Phoenix	.06	.08
Pontiac n	.28	.30
Pontiac R	..	..
Pelangio	.01½	.02
Polaris	.35	.40
Private'r	.90	.95

	Bid	Ask
Propri'y	1.75	1.85
Presdor	.02⅞	.03½
Queb Man	.08	.09
Rahn Lke	.30	.31
Rand Ml	.10	.11
Red Lake	.02	.02½
Rhyolite	.01½	.02½
Rose Gold	.06	..
Sachigo	6.00	6.75
Shenango	.05½	.06
Sheldon	.03	.05
Siscoe Ex	.02	.03
Skynner	.05	.08
Spooner	.04	.05½
Sunbeam	.11	.13
Stadacona	.11	.12
Springer	.13	.14
Thomson	.20	.22
Union Mn	.05½	.06½
Vermilata	.25	.27
Walker Pt	.02½	.03
Wells LL	.14	..
West Red	.02	.03
Winoga cum rts	.04	.05
Woco	.08	.10
Y David'n	.24	.25

Montreal, Dec. 5, 1939

	Bid	Ask
Beaucourt	..	.08
Cad Exp	.04½	.05½
Cont Kirk	.05	.06
Cournew	.29	.31
Cuniptau	.02½	.03½
Dorval U	..	5.00
Fontana	..	.04
Landor	..	.11
L Rowan	.04	.05
Mar McN	.02½	.03
Plains P	.20	.30
Porc Lake	.02	.03
Obalski	.03	.04
Pan Can	.03½	.04½
Routh'r C	..	.03
Ribago N	.03½	.04
South M	..	.07
Valdor M	.60	.70
Warren'c	..	.03

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

December 5, 1939

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 5	Asked Dec. 5	Bid Nov. 28
†Assoc. Tel. & T.	5½	'55	82	86	83
Beauharnois P.	5	'73	99	103	98½
B. C. Power	4½	'60	100½	104½	100½
B. C. Tel.	4½	'61	103½	107½	103½
†Calgary Pwr.	5	'60	104	108	104
Do.	5	'64	102½	106½	102
†Can. Nor. Pwr.	5	'53	104½	108½	104½
*Dom. Gas & El.	6½	'45	98	102	98
Gatineau Pwr.	5	'49	102½	106½	102
Do., A	3⅞	'69	96½	100½	96½
Gt. Lakes Pwr.	4½	'56	100½	104½	100½
*Int. Hydro-E.	6	'44	86	90	86
▴Inter. Power	6	'55	98	..	97
Macl'n-Que. Pr.	4	'59	95	99	96
Mtl. L. H. & P.	3½	'56	98½	102½	98½
Do.	3½	'73	93½	97½	94
†Mtl. Tramways	5	'41	94	98	94½
†Do.	5	'55	68	72	69½
Nat. Lt. & Pwr.	6	'49	98½	102½	98½
N. S. Lt. Pr.	4	'57	99	103	99
Ottawa H. & P.	4	'57	100	104	100
Ottawa V. Pwr.	5	'59	101½	105½	101½
†Power Corp.	4½	'59	99	103	99½
Quebec Pwr.	4	'62	100½	104½	101
*Saguenay P. A.	4½	'66	105½	109½	106½
Do., B	4½	'66	103	107	104
Shaw. W. & Pr.	4	'61	98½	102½	99
Union Gas	4½	'50	102	106	102
United Secs.	5½	'52	65	69	65
†Wpg. El., ser. A	4	'65	74	78	74
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	60	64	57
Acadia Sugar	4½	'55	99	103	99
†Alta. Pa. Grain	6	'46	96	100	97
Atlantic Sugar	4	'51	99	103	99
†B. C. P. & Pap.	6	'50	74½	78½	74½
*Brown Co.	5½	'46	51	55	47
Burns & Co.	5	'58	65	69	65
Canada Bread	6	'41	105	109	105
Canada Cement	4½	'51	102	106	102
Can. Paper	4½	'52	98	..	98
Can. Steamship	5	'57	89	93	90
Can. Canners	4	'51	101	105	101
*Can. Int. Paper	6	'49	98	102	98
†Candn. Vickers	6	'47	68	72	69½
C. P. R.	3½	'51	85	89	85
Do.	4	'49	87	91	87
Do.	4½	'44	93	97	92
Do.	6	'42	100	104	100½
†Consol. Paper	5½	'61	57	61	55
Dom. Coal	4½	'52	99½	103½	100
▴Dom. Stl. & C.	6½	'55	108	112	109
Dom. Tar	4½	'51	100½	104½	100½
†Donnacona P.	4½	'56	76½	80½	77
Famous Players	4½	'51	99	103	98½
†Federal Grain	6	'49	97½	101½	97½
†Fraser Cos.	6	'50	96	100	96
Gen. Stl. Wares	4½	'52	98½	102½	100
*Great Lakes P.	5	'55	91	95	90½
†Gypsum, Lime	5½	'48	99	103	98½
Ham. By-Pr. C.	5	'55	101	105	101
Inter-City Bak.	5½	'48	101	105	101
*Inter. P., Nfld.	4½	'68	96	100	96
Lake St. J. P.	5½	'61	87½	91½	88
†Maple Leaf M.	3	'58	73½	77½	73½
Massey-Harris	4½	'54	93	97	93
McColl-Fron.	4½	'49	100½	104½	101½
McCormick's	4	'52	89½	93½	90
*M. & O. Paper	6	'45	45	49	42½
Nat. Grocers	4	'47	101	...	101
N. S. Stl. & Co.	3½	'63	82	86	82½
Price Bros.	5	'57	95½	99½	95½
*Prov. Paper	5½	'47	102	106	102½
Reliance Grain	4½	'52	92½	96½	92½
†Restigouche Co.	6	'48	96½	100½	96
Rolland Paper	4½	'51	101	105	101
Simpsons Ltd.	4½	'51	99	103	98½
Smith, Howard	4½	'51	101½	105½	101½
†Steel of Can.	6	'40	111	115	111
*United Gas	5½	'48	102	106	102
United Gr. Grs.	5	'48	97	101	97
†Western Grain	6	'49	46½	50½	46

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▴Payable in Can. or U. K.
*Payable in U. S. only.

Municipal Bonds

Dec. 5, 1939

†Halifax	5	1961	110.00	112.00	4.15
Hamilton	5	1950	110.15	112.15	3.60
Montreal	5	1945	99.00	101.00	4.78
Ottawa	4½	1945	105.65	107.65	3.00
†Quebec	5	1959	105.00	107.00	4.46
Saint John	5	1950	107.00	109.00	3.98
†Toronto	4½	1955	110.85	112.85	3.40
†Vancouver	5	1950	98.00	102.00	4.75
Winnipeg	5	1944	101.00	104.00	3.96

†Payable Can. and N.Y.

Mining Dividends

		Close Dec. 4	Yield %
Beattie Gold	15c	1.06	14.1
Bralorne	80c+40c	11.00	*10.9
Buffalo Ankerite	75c	7.75	9.7
Bulolo Gold	$3	24.00	12.5
Can. Malartic	9c	.69	13
Cariboo Gold	18½c+7½c	2.23	*11.6
Central Patricia	16c+5c	2.32	*9
Coniagas	25c	1.47	..
Coniaurum	16c	1.70	9.3
Cons. Smelters	$1+$1	47.00	*4.2
Dome Mines	$2	28.50	7
Falconbridge	30c	4.25	7
God's Lake	†5c	.62	..
Goldale	†2c	.19	..
Gunnar Gold	6c	.49	12.2
Hollinger	65c+45c	14.75	*7.4
Howey Gold	5c	.32	15.6
Hudson Bay	$1.75	31.25	5.6
Inter. Mining	40c	9.87	4.1
Inter. Nickel, com.	$2	44.75	4.4
Island Mountain	15c	.86	17.4
Kerr Lake	15c	.50	..
Kirkland Lake	8c+2c	1.35	*7.4
Kootenay Belle	16c+2c	.68	..
Lamaque Gold	40c+17c	6.95	*8.2
Lake Shore	$3.75	29.00	12.9
Leitch	8c	.75	10.7
Little Long Lac	30c	2.99	10.2
Macassa	20c+12½c	4.40	*7.3
McGillivray Coal	3c	.23	..
McKenzie Red L.	12c+2c	1.25	*11.2
McWatters	10c	.55	..
Moneta	12c	.85	14.1
McIntyre Porc.	$2+$1	55.75	*5.4
Nipissing	15c	1.20	12.4
Noranda	$4	75.75	5.3
North Empire	75c	9.50	7.9
O'Brien Gold	20c	1.50	13.3
Pamour Porc.	8c	2.01	..
Pato Cons.	20c	2.30	..
Paymaster	2c	.35	..
Perron Gold	16c+4c	1.90	*10.5
Pioneer, B.C.	40c	2.30	17.4
Pickle Crow	40c	4.35	9.2
Placer Develop.	$1.20	12.75	9.4
Premier	12c	1.38	8.7
Privateer Mine	20c+2c	.93	..
Powell Rouyn	†5c	1.85	..
Quebec Gold	†2c	.27	..
San Antonio	14c	2.12	6.6
Sheep Creek	16c+3c	1.18	*16.1
Silbak Prem.	16c	1.00	16
Siscoe	12c+1c	.66	*19.6
Sudbury Basin	5c	1.90	..
Sullivan Cons.	6c+1c	.70	*10
Sylvanite Gold	20c+5c	3.15	*7.9
Teck-Hughes	40c+3c	4.00	*10.7
Toburn	8c+8c	1.80	*8.9
Ventures	15c	4.40	3.4
Wright-Harg.	40c+30c	7.95	*8.8

*Yield including bonus. †Initial.

Investment Trusts

	Bid	Asked
Affiliated Fund	3.62	3.97
Can. Inv. Fund*	4.00	4.40
Can. Amer. Trust	3.10	3.70
All Can. Trustee	12.25	13.00
Grouped Income	...	6.00
Trans-Canada Shs.	12.70	13.80

Public Utility Earnings

Winnipeg Electric Co.

October

	1939 $	1938 $
Gross earnings	598,650	551,383
Oper exps. & taxes	337,121	314,935
Net earnings	261,529	236,448
Ten Months Ended Oct. 31		
Gross earnings	5,666,030	5,366,820
Oper. exps. & taxes	3,276,761	3,176,429
Net earnings	2,389,269	2,190,391

Brazilian Traction

October	1939 $	1938 $	Decr. $
Gross earn.	3,000,970	3,288,449	287,479
Oper. exp.	1,447,866	1,517,271	69,405
Net earn	1,553,104	1,771,178	218,074
Ten Months			
Gross earn.	31,255,519	31,587,558	[illegible]
Net earn.	[illegible]	[illegible]	[illegible]

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, pf.	$1.75	Jan. 2	Dec. 15
Aluminium	$4	Dec. 15	Nov. 24
Asbestos Corp.	15c	Dec. 31	Dec. 15
Do., bonus	35c	Dec. 31	Dec. 15
Amer. Cyan., A, B	†15c	Jan. 2	Dec. 15
Do., extra	†*$1	Dec. 15	Dec. 1
Do., pref.	†12½c	Jan. 2	Dec. 15
Assoc. Brew.	20c	Dec. 22	Dec. 15
Do., extra	55c	Dec. 22	Dec. 15
Do., pref.	$1.75	Jan. 1	Dec. 15
Bathurst Pwr., A	25c	Dec. 20	Dec. 9
Bell Telephone	$2	Jan. 15	Dec. 23
Bralorne Mines	20c	Jan. 15	Dec. 30
Do., extra	10c	Jan. 15	Dec. 30
Brit. Amer. Oil	25c	Jan. 2	Dec. 16
Brazil. Traction, p.	$1.50	Jan. 2	Dec. 15
Bulolo Gold	$1.50	Dec. 11	Dec. 2
Burlington Steel	15c	Jan. 2	Dec. 15
Buff. Ankerite	12½c	Jan. 2	Dec. 15
Bright, T. G.	7½c	Dec. 15	Nov. 30
Do., pref.	$1.50	Dec. 15	Nov. 30
Belding-Cort.	$1	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Beattie Gold	5c	Dec. 7	Nov. 20
Bk. of N. Scotia	$3	Jan. 2	Dec. 16
Beatty Bros., 2nd p.	$3.50	Jan. 2	Dec. 15
Blue Top Brew., A	30c	Dec. 30	Dec. 15
Borden Co.	†50c	Dec. 20	Dec. 8
B. C. Power, A	50c	Jan. 15	Dec. 31
Can. Breweries, pf.	50c	Jan. 2	Dec. 15
Can. W. & C., A	$1	Dec. 15	Nov. 30
Do., pref.	$1.62½	Dec. 15	Nov. 30
Do., B	25c	Dec. 15	Nov. 30
Cosmos Imp., pref.	$1.25	Jan. 15	Dec. 30
Can. Malartic	3c	Dec. 15	Nov. 28
Can. Wineries	15c	Dec. 12	Nov. 30
Can. Cottons	$1	Jan. 2	Dec. 15
Do., pref.	$1.50	Jan. 2	Dec. 15
Can. Malting	37½c	Dec. 15	Nov. 30
Do., bonus	50c	Dec. 15	Nov. 30
Can. Gen. Elec.	$1.50	Jan. 1	Dec. 15
Celanese of Amer.	§	Dec. 22	Nov. 17
Do., part. pf.	$3.50	Dec. 31	Dec. 15
Do., prior pfd.	$1.75	Jan. 1	Dec. 15
Cons. Std. Sec., 1 p.	37½c	Dec. 15	Nov. 30
Can. Perm. Mtge.	$2	Jan. 2	Dec. 15
Chart. Trust	$1	Jan. 2	Dec. 15
Do., extra	$1	Jan. 2	Dec. 15
Can. Bread, 1st pf.	$1.25	Jan. 2	Dec. 15
Do., B pref.	62½c	Jan. 2	Dec. 15
Do., arrears	37½c	Jan. 2	Dec. 15
Can. Tube & Stl., p.	$3	Dec. 15	Dec. 8
Can. North. Pwr.	30c	Jan. 25	Dec. 30
Do., pref.	$1.75	Jan. 15	Dec. 30
Canada Cement, p.	$1.25	Dec. 20	Nov. 30
Can. W. N. Gas, c.	$1	Dec. 15	Dec. 14
Can. West'ghouse	37½c	Jan. 2	Dec. 20
Cariboo Gold	4c	Jan. 2	Dec. 6
Do., bonus	2c	Jan. 2	Dec. 6
Canada Packers	75c	Jan. 2	Dec. 15
Can. Celanese	25c	Dec. 30	Dec. 15
Do., extra	$1.50	Dec. 30	Dec. 15
Do., pref.	$1.75	Dec. 30	Dec. 15
Crow's Nest Coal	$1.50	Dec. 23	Dec. 1
Can. For. Inv., p.	$2	Jan. 1	Dec. 15
Confed. Life	$1.50	Dec. 31	Dec. 25
Can. Canners, pfd.	25c	Jan. 2	Dec. 15
Do., 2nd pfd.	15c	Jan. 2	Dec. 15
Canadian Oil, pf.	$2	Jan. 2	Dec. 20
Can. Wire. Box, A	37½c	Jan. 2	Dec. 15
Canada Bud	20c	Dec. 20	Dec. 14
Cons. Smelters	50c	Dec. 30	Dec. 9
Do., extra	$1	Dec. 30	Dec. 9
Comm. Alcohols, p.	10c	Jan. 15	Jan. 2
Debent. & Sec., p.	$5	Jan. 2	Dec. 23
Dom. Textile	$1.25	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 15	Dec. 30
Dist. Seagram	55½c	Dec. 15	Dec. 1
Do., pref.	†$1.25	Feb. 1	Jan. 15
David & Frere, A	15c	Dec. 30	Dec. 15
Do., extra	10c	Dec. 30	Dec. 15
Do., bonus	25c	Dec. 30	Dec. 15
Dunlop Tire, c.	50c	Dec. 29	Dec. 15
Do., 1st pref.	62½c	Dec. 31	Dec. 15
Dom. Coal, pfd.	38c	Jan. 2	Dec. 15
Dom. Glass	$1.25	Jan. 2	Dec. 15
Do., pref.	$1.75	Jan. 2	Dec. 15
Electrolux	20c.	Dec. 15	Nov. 15
English Elec., A	62½c	Dec. 15	Dec. 6
Falconbridge N.	7½c	Dec. 29	Dec. 6
Fanny Farmer	37½c	Dec. 20	Dec. 15
Do., extra	25c	Dec. 20	Dec. 15
Famous Players	25c	Dec. 28	Dec. 18
Ford Motor, A, B,	25c	Dec. 16	Nov. 25
Gatineau Pwr.	20c	Dec. 30	Dec. 1
Do., extra	5c	Dec. 30	Dec. 1
Do., 5% pref.	$1.25	Jan. 1	Dec. 1
Do., 5½% pref.	$1.38	Jan. 1	Dec. 1
Gen. Steel W., pf.	$1.75	Dec. 15	Dec. 1
Greening Wire	15c	Jan. 2	Dec. 15
Gurd, Chas., c.	30c	Dec. 20	Dec. 13
Ham. Cotton, pf.	50c	Jan. 2	Dec. 15
Huron & E. Mtge.	1%	Jan. 2	Dec. 15
H. Smith Pap., pf.	$1.50	Jan. 15	Dec. 31
Ham. Un. Thea., p.	$1.50	Dec. 30	Nov. 30
Hart Battery	20c	Dec. 15	Nov. 30
Hud. Bay Mining	$1	Dec. 11	Nov. 17
Inter. Nickel, pfd.	$1.75	Feb. 1	Jan. 2
Do., com.	†50c	Dec. 30	Dec. 1
Island Mtn. M.	7c.	Dec. 15	Dec. 1
Imperial Tob., ord,	10c	Dec. 30	Dec. 8
Inter. C. Baking	$1.50	Dec. 10	Dec. 1
Indust. Accept., A	50c	Dec. 30	Dec. 15
Do., pref.	$1.25	Dec. 30	Dec. 15
Inter. Paints, pf. A	$1	Dec. 21	Dec. 9
Do., arrears	25c	Dec. 21	Dec. 9
Int'l. Coal & Coke	1½c	Dec. 15	Dec. 9
Lake Shore M.	75c	Dec. 15	Dec. 1
Lava Cap G.	4c	Dec. 20	Dec. 1
Louisiana Land	†5c	Dec. 15	Dec. 1
Lamaque Gold	10c	Jan. 1	Dec. 8
Landed Banking	$1	Jan. 2	Dec. 15
Lang, John A.	17½c	Jan. 2	Dec. 15
Loew's London, pf.	35c	Dec. 15	Dec. 11
Little Long Lac	10c	Dec. 11	Nov. 28
McColl-Front., pf.	$1.50	Jan. 15	Dec. 30
McManus Pete., p.	30c	Jan. 3	Dec. 26
Do., com.	30c	Jan. 3	Dec. 26
McIntyre Porc., extra	$1	Jan. 2	Nov. 1
Macassa Mines	5c	Dec. 15	Nov. 30
Do., extra	5c	Dec. 15	Nov. 30
McGillvray Coal	1½c	Dec. 15	Dec. 9
McK. Red. Lake	3c	Dec. 15	Dec. 1
Do., extra	2c	Dec. 15	Dec. 1
Montreal Loan	50c	Dec. 15	Nov. 30
McKin. Steel, p.	‡$1.75	Dec. 15	Nov. 30
Melchers, pref.	30c	Dec. 30	Dec. 15
Marcus Loew's, pf.	$1.75	Dec. 15	Dec. 2
Do., arrears	$1.75	Dec. 15	Dec. 2
Mitchell, J. S., p.	$1.75	Jan. 2	Dec. 15
Montreal Cottons	50c	Dec. 15	Nov. 30
Do., pref.	$1.75	Dec. 15	Nov. 30
Mod. Containers	20c	Jan. 2	Dec. 20
Do., pref.	$1.37½	Jan 2	Dec. 20
Moore Corp.	40c	Jan. 2	Dec. 7
Do., extra	60c	Jan. 2	Dec. 7
Do., pref. A, B	$1.75	Jan. 2	Dec. 7
National Brew.	50c	Jan. 2	Dec. 15
Do., pref.	43c	Jan. 2	Dec. 15
Nat. Biscuit	40c	Dec. 15	Nov. 14
Nat. Grocers, pf.	37½c	Jan. 1	Dec. 15
Nat. Steel Car	50c	Jan. 15	Dec. 30
Noranda	$1	Dec. 15	Nov. 20
Nipissing M.	15c.	Dec. 11	Nov. 22
North. Empire M.	40c	Dec. 12	Nov. 24
N. S. Light Pr., ord.	$1.50	Jan. 2	Dec. 16
Ont. Loan & Deb.	$1.25	Jan. 2	Dec. 15
Ottawa L. Pr.	25c	Jan. 1	Dec. 6
Do., pref.	$1.25	Jan. 1	Dec. 6
Page-Hersey	$1	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Paymaster Cons.	1c	Jan. 5	Dec. 23
Para. Pictures, pf.	†$1.50	Dec. 26	Dec. 8
Do., 2nd pref.	†15c	Dec. 26	Dec. 8
Perron Gold	4c	Dec. 21	Dec. 1
Do., extra	3c	Dec. 21	Dec. 1
Pato Cons. Gold	10c	Dec. 20	Dec. 2
Placer Dev.	60c	Dec. 11	Dec. 2
Power Corp., c.	30c	Dec. 21	Dec. 2
Power Corp., pfd.	$1.50	Jan. 15	Dec. 30
Do., 2nd pref.	75c	Jan. 15	Dec. 30
Paton Mfg.	50c	Dec. 15	Nov. 30
Do., pref.	$1.75	Dec. 15	Nov. 30
Pioneer Gold	10c	Jan. 2	Nov. 30
Pickle Crow	10c	Dec. 30	Dec. 15
Reliance Grain, p.	‡$3.25	Dec. 20	Dec. 10
Real Est. Loan	$1	Jan. 2	Dec. 15
Remington Rand, c.	20c	Jan. 2	Dec. 11
Do., pref.	$1.12½	Jan. 2	Dec. 11
Simon & Sons	15c	Dec. 22	Dec. 7
Do., pref.	$1.75	Dec. 22	Dec. 7
Siscoe Gold	3c	Dec. 15	Nov. 25
Do., extra	1c	Dec. 15	Nov. 25
Sher.-Williams, p.	$1.75	Jan. 2	Dec. 15
Stand. Steel, p.	75c	Jan. 1	Dec. 15
Sylvanite G.	†5c	Dec. 30	Nov. 18
St. Law. Corp., A p.	‡$1	Dec. 15	Dec. 1
Supersilk H., pfd.	$2.50	Jan. 2	Dec. 15
Sunset Oils	*2½c	Dec. 15	Dec. 5
Sovereign Life	$1.25	Dec. 15	Dec. 1
South. Can. Pr., p.	$1.50	Jan. 15	Dec. 20
Do., com.	20c	Feb. 15	Jan. 31
Secs. Holding, pf.	65c	Jan. 2	Dec. 20
Sterling Trusts	$1.50	Jan. 2	Dec. 20
Supertest P., ord. c.	50c	Jan. 2	Dec. 15
Do., extra	50c	Jan. 2	Dec. 15
Do., pref. (B)	75c	Jan. 2	Dec. 15
Tor. Gen. Trusts	$1	Jan. 2	Dec. 16
Teck-Hughes	10c	Jan. 1	Dec. 8
Tor. Elevators, pf.	66c	Dec. 7	Nov. 23
Do., com.	$1	Dec. 7	Nov. 27
Union Gas	20c	Dec. 15	Nov. 20
Vulcan Oils	5c	Jan. 10	Dec. 20
Walker-Good.	$1	Dec. 15	Nov. 24
Do., pref.	25c	Dec. 15	Nov. 24
West. Koot. Pr., p.	$1.75	Dec. 30	Dec. 20
Weston, Geo., c.	20c	Jan. 2	Dec. 15
Wilsil	25c	Jan. 2	Dec. 15
Wr.-Hargreaves	†10c	Jan. 2	Nov. 23
Do., extra	†5c	Jan. 2	Nov. 23
Do., interim	†10c	Jan. 15	Dec. 1

§At rate of 1 sh. for each 40 shs. held. *Interim. ‡On arrears. †Payable in U. S. funds. °Paid in 5% cum. conv. pref. 2nd series. Fractional shares or script paid in cash.

RELIANCE GRAIN COMPANY LIMITED

6½% CUMULATIVE PREFERRED STOCK

A DIVIDEND of three and one-quarter per cent (3¼%) per share, being the accumulated dividend for the six months ended May 31, 1938, has been declared and authorized to be paid on December 20, 1939 to all preference shareholders of record with the Transfer Agents of the Company at the close of business on December 9, 1939.

By order of the Board,
A. W. GIBB, Secretary.
Winnipeg, December 1, 1939.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that the Annual General Meeting of the Shareholders will be held at the Head Office of the Bank in Toronto on Wednesday, the thirteenth day of December, 1939, at the hour of 2.30 o'clock in the afternoon.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 26th October, 1939.

THE CANADIAN BANK OF COMMERCE

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 12th day of December next.

The chair will be taken at 11 o'clock a.m.

By order of the Board,
A. E. ARSCOTT,
General Manager.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 45) of 1¾% upon the outstanding Preferred shares of the Company has been declared, payable on the First day of January, 1940, to Shareholders of record at the close of business on the Fifteenth day of December, 1939.

NOTICE IS ALSO GIVEN that a Year End Dividend (No. 42) of Seventy-five Cents per share on the No Par Value Common shares of the Company, issued and outstanding, has been declared, payable on the Twenty-second day of December, 1939, to Shareholders of record at the close of business on the Fifteenth day of December, 1939.

By Order of the Board,
I. N. WILSON,
Treasurer.
Calgary, Alberta,
November 28th, 1939.

DIVIDEND

CHARTERED TRUST AND EXECUTOR COMPANY

Notice is hereby given that a dividend of 1% for the current quarter, and 1% additional for the year ending December 31st, 1939, has been declared on the paid-up Capital Stock of Chartered Trust and Executor Company, payable January 2nd, 1940, to Shareholders of record at the close of business December 15th, 1939.

By Order of the Board.
E. W. McNEILL,
Secretary.
Dated at Toronto,
November 16th, 1939.

The Sherwin-Williams Company of Canada, Limited

Notice is hereby given that the One Hundred and Seventh Quarterly Dividend of One and Three-quarters per cent (1¾%), being at the rate of Seven per cent (7%) per annum for the Quarter ending February 28, 1938, on the Preferred Stock of the Company, has been declared payable to Shareholders of record the 15th day of December, 1939, and that cheques will be mailed January 2, 1940.

Books not closed.

By Order of the Board,
P. W. HOLLINGWORTH,
Secretary-Treasurer.
Montreal, Que.
November 9, 1939.

International Paints (Canada) Limited

The regular dividend of 5% for the twelve months ended September 30th, 1939, and an additional dividend on account of arrears of 1¼% or 25 cents per share, have been declared on the new 5% Cumulative Participating Preferred Stock of the Company, payable on December 21st, 1939, to shareholders of record at the close of business on December 9th, 1939.

By Order of the Board,
D. R. W. McKEAN,
Secretary-Treasurer.
Montreal, November 30th, 1939.

National Steel Car Corporation Limited

NOTICE OF DIVIDEND

Notice is hereby given that a dividend of fifty cents (50c) per share has been declared, payable January 15th, 1940, to shareholders of record at the close of business, December 30th, 1939.

By order of the Board.
CHAS. W. ADAM,
Secretary.

PAMOUR PORCUPINE MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of 4 cents per share, payable in Canadian Funds, has been declared by the Directors of PAMOUR PORCUPINE MINES, LIMITED, payable December 27th, 1939, to shareholders of record at the close of business December 15th, 1939.

By order of the Board.
J. R. BRADFIELD, Secretary.
Toronto, Ont., December 1st, 1939.

Canadian Wirebound Boxes Limited

Dividend Notice

The Directors of the Company have declared a dividend of thirty-seven and one-half cents (37½c) per share on account of arrears on the class "A" shares of the Company, payable January 2nd, 1940, to shareholders of record the close of business December 15th, 1939.

By Order of the Board,
J. P. BERNEY,
Secretary.

THE B. GREENING WIRE COMPANY, LIMITED

Common Dividend No. 9

NOTICE IS HEREBY GIVEN that at a meeting of the Directors of The B. Greening Wire Company Limited held in the office of the Company Nov. 27, 1939, a dividend of Fifteen Cents per share on the Common Shares of the Company was declared payable Jan. 2, 1940, to shareholders of record December 15, 1939.

F. J. MAW,
Secretary.
Hamilton, Ont., November 29, 1939.

DIVIDEND NOTICES

Canada Permanent Mortgage Corporation

Notice is hereby given that a Dividend of TWO PER CENT. on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

TUESDAY, THE SECOND DAY OF JANUARY

next, to Shareholders of record at the close of business on the Fifteenth day of December, 1939.

By order of the Board.
Walter F. Watkins,
Secretary.
Toronto, November 15th, 1939.

Vulcan Oils Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of five cents (.05c) per share has been declared payable to shareholders of the Company, of record as such on the books of the Company, at the close of business on Wednesday, the 20th day of December, 1939, and that the said dividend will be payable on or after Wednesday, the 10th day of January, 1940.

The Register of Transfers will be closed from the close of business on Wednesday, the 20th day of December, 1939, until the opening of business on Wednesday, the 10th day of January, 1940.

By Order of the Board.
FRANK R. FREEZE,
Secretary-Treasurer.
Calgary, Alberta,
November 21st, 1939.

Ottawa Light Heat and Power Company, Limited

Quarterly dividends as follow are payable 1st January, 1940, to Shareholders of record 6th December, 1939:

PREFERRED STOCK: 1¼% (being at the rate of 5% per annum).

COMMON STOCK: Twenty-five cents (25 cts) per share on the No Par Value shares.

The transfer books will not be closed.

By Order of the Board.
F. W. FEE,
Secretary.
Ottawa, 30th November, 1939.

Canada Bud Limited

DIVIDEND NOTICE

Notice is hereby given that a dividend of Twenty Cents (20c) per share on the 150,000 outstanding no par value common shares of Canada Bud Breweries Limited, has been declared payable on the 20th day of December, 1939, to shareholders of record at the close of business on the 14th day of December, 1939.

By order of Board of Directors.
J. S. FITZGERALD,
Assistant Secretary-Treasurer.
Toronto,
December 4th, 1939.

PICKLE CROW GOLD MINES LIMITED

(No Personal Liability)

NOTICE OF DIVIDEND NO. 16

Notice is hereby given that a dividend of ten cents (10c) per share in Canadian funds has been declared, payable on Saturday, December 30th, 1939, to shareholders of the company of record at the close of business on Friday, December 15th, 1939.

By Order of the Board
ROBERT FENNELL, K.C.
Treasurer
Toronto, Ont., Dec. 1st, 1939.

SOUTHERN CANADA POWER COMPANY, LIMITED

The Board of Directors has declared this day the following dividends:

6% Cumulative Participating Preferred Stock

No. 80, quarterly, $1.50 per share, payable January 15th, 1940, to holders of record at the close of business December 20th, 1939.

No Par Value Common Stock

No. 59, quarterly, 20c. per share, payable February 15th, 1940, to holders of record at the close of business January 31st, 1940.

L. C. HASKELL, F.C.I.S.,
Secretary.
Montreal, November 24th, 1939.

SUPERTEST Petroleum Corporation Limited

NOTICE OF DIVIDENDS

"B" PREFERRED

A half-yearly dividend at the rate of 6% per annum on the Class "B" Preferred stock of this Corporation for the half-year ending December 31, 1939, has been declared; payable January 2, 1940, to shareholders on record at the close of business December 15, 1939.

COMMON AND ORDINARY

The Board of Directors has declared a half-yearly dividend of 50c per share and an extra dividend of 50c per share on the Common and Ordinary stock of this Corporation for the half-year ending December 31, 1939; payable January 2, 1940, to shareholders on record at the close of business December 15, 1939.

SHARE WARRANTS

Share Warrant holders will present coupons, serial number 40, to the Canadian Bank of Commerce, London, Ontario, and branches in Ontario and Quebec, on and after January 2, 1940, where payment will be made at par.

By Order of the Board,
JAMES D. GOOD,
Secretary-Treasurer.
London, Ontario, December 4, 1939.

SECURITIES HOLDING CORPORATION Limited

DIVIDEND NOTICE

Notice is hereby given that an Interim Disbursement of Sixty-Five Cents per share has been declared upon the preferred shares of the Company, payable January 2nd, 1940, to shareholders of record at the close of business on the 20th day of December, 1939.

By order of the Board.
F. T. LARGE,
Secretary.
Toronto, December 5, 1939.

Big Bacon Deal Boosts Barley

From Our Own Correspondent

WINNIPEG.—Barley prices have been gradually strengthening in Winnipeg, partly in sympathy with wheat, but also on realization of the extent to which barley is likely to be absorbed in hog feeding. An impetus to the market was given by announcement of the bacon deal made between the British and Canadian Governments.

Toronto Elevators Pays $1 Dividend on Common

Toronto Elevators Ltd. has paid a dividend of $1 a share on its common stock Dec. 7, 1939, to shareholders of record Nov. 27. Last previous payment was for the same amount and was paid on Oct. 30, 1937.

In the year ended July 31, 1939, the company earned $1.16 per share on its common. Outlook for the current year is for a considerable improvement in earnings.

DIVIDEND NOTICES

Canadian Celanese Limited,

1401 McGill College Ave., MONTREAL, P.Q., Canada

December 4, 1939.

The Board of Directors has this day taken the following action with respect to interest and dividends:

Income Funding Rights

March 15, 1940, has been fixed as the date on which interest in respect of the year 1939 will be paid to the holders of income funding rights of record at the close of business on December 31, 1939.

Seven Per Cent Cumulative Participating Preferred Stock

One dollar seventy-five cents ($1.75) per share, which shall be deemed to be for the three months period October 1, 1939, to December 31, 1939, has been declared payable December 30, 1939, to the holders of record at the close of business on December 15, 1939.

The amount of participating dividend to which the holders of the seven per cent cumulative participating preferred stock are entitled for the year 1939 will be determined when the company's accounts for the year have been closed.

Common Stock

Twenty-five cents (25c) per share in respect of the fourth quarter of 1939 and, in addition, an extra dividend of one dollar fifty cents ($1.50) per share have been declared payable December 30, 1939, to the holders of record at the close of business on December 15, 1939.

H. BLANCKE,
Secretary.

DIVIDEND NOTICE

The British American Oil Company Limited

NOTICE is hereby given that a dividend of Twenty-five cents (25c) per share has been declared on the issued No Par Value capital stock of the Company for the fourth quarter ending December 31st, 1939. The above dividend is payable in Canadian funds, January 2nd, 1940, to shareholders of record at the close of business on the 16th day of December, 1939.

Share Warrant Holders will present coupons, Serial No. 39, to any branch in Canada of The Royal Bank of Canada, who will negotiate them at par, or at the London, England, branch of The Royal Bank of Canada, at the buying rate for sight exchange on Canadian dollars, on or after January 2nd, 1940.

H. H. BRONSDON,
Secretary.
Dated at Toronto, December 4th, 1939.

The Consolidated Mining & Smelting Co. of Canada Limited

DIVIDEND No. 69

NOTICE IS HEREBY GIVEN that a Dividend of 50c per share on the paid up Capital Stock of the Company for the six months ending December 31st, 1939, with a bonus of $1.00 per share has this day been declared payable on the 30th day of December, 1939, to Shareholders of record at the close of business on the 9th day of December, 1939.

By Order of the Board.
J. E. RILEY,
Secretary.
Montreal, P.Q.
December 4th, 1939.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

The Board of Directors has declared this day the following dividends:

7% Cumulative Preferred Stock

No. 60, quarterly, $1.75 per share, payable January 15th, 1940.

No Par Value Common Stock

No. 42, quarterly, 30c. per share, payable January 25th, 1940, to holders of record at the close of business December 30th, 1939.

L. C. HASKELL, F.C.I.S.
Secretary.
November 28th, 1939.

THE STERLING TRUSTS CORPORATION

DIVIDEND NOTICE

NOTICE is hereby given that a dividend of 1½% for the current half year ending December 31st, 1939, has been declared on the paid up capital stock of the Corporation, and will be payable on January 2nd, 1940, to shareholders of record at the close of business on December 20th, 1939.

By order of the Board.
JAMES R. LOVATT,
Secretary.

The Hamilton Cotton Company Limited

DIVIDEND NOTICE

Notice is hereby given that a Dividend of 50 cents per share has been declared on the arrears of Dividends of the outstanding Preference Shares of the Company, and will be payable on the 2nd day of January, 1940, to the shareholders of record, at the close of business on the 15th day of December, 1939.

By Order of the Board.
JOHN BOWSTEAD,
Secretary.
Hamilton, December 4th, 1939.

Week in Wheat

Market Stronger As Buying Gains

Observers at Winnipeg and Chicago See Permanent Prices Gain as Britain Buys Freely—Losses in U. S. and Argentine Confirmed

From Our Own Correspondent

WINNIPEG.—Markets at Chicago and Winnipeg each lent strength to the other in wheat price advances this week. Chicago became fairly buoyant when it was discovered that Winnipeg had the capacity to move up, and that fear of imports from Canada need not hold down American prices.

Winnipeg in turn was strengthened as some buying came into this market from Southern sources, and as neutral countries advanced their rate of purchases. During last week's rise in prices observers noted that the British Government agency seemed to be buying freely, and to be making no attempt to resist the course of the market, while at the same time the Canadian Wheat Board was credited with offering as liberally as required.

Observers were not so sure of the extent of British buying at the beginning of this week. They noted, however, that the Canadian Wheat Board seemed to be exercising no selling pressure in the market, and the conclusion was drawn that there was no fear in official circles that buying from overseas might be interrupted by a rise on a moderate scale.

Chief bullish influences affecting wheat appeared to be reports of further damage to Argentine crops and confirmation of serious condition of the U.S. winter crop.

Rush to Continue

The tremendous movement of grain down the lakes which has taken place since the middle of November ensures ample supplies of grain available at or close to all eastern ports to fill whatever space can be made available for it during the next few months by the British shipping authorities. The expectation is that overseas movement will be at a much more rapid rate in the near future. Ocean steamship rates asked by neutral vessels have been rising rapidly, an indication that shipping is likely to be too scarce to permit continued movement of such quantities of Argentine wheat as have lately been put afloat.

Official figures showed that a sharp increase had been taking place in overseas shipments of Canadian wheat, being recorded for last week at over 5,300,000 bushels. Formal announcement was made in Great Britain that the Government is requisitioning shipping for carriage of Canadian wheat to British ports, confirming the previous impression in the trade that an accelerated rate of shipment is in prospect.

* * *

See U. S. Crop Short

As the season advances in the United States winter wheat belt and no substantial improvement takes place in moisture or growing conditions in the winter wheat belt of the United States, that country is more and more impressed by the poor outlook for production. It is now assumed that total wheat production in the United States in 1940 may fall below a year's domestic requirements by one hundred million bushels, and possibly more. American markets are assuming a still firmer tone, not because of any actually impending shortage of wheat which would make imports probable, but because farmers are likely to be strong holders of wheat in the hope of gradually advancing prices.

* * *

Less Pressure to Sell

From November 15 to the end of the month 50 million bushels of wheat was moved from Port Arthur and Fort William down the lakes, and the December movement before navigation finally closes may add close to another ten million bushels to that figure. There is thus ample terminal elevator accommodation for all western grain requiring prompt shipment, and congested country elevators have been able to make shipments assuring accommodation to all farmers who want to make deliveries. But the pressure of grain seeking accommodation has relaxed as farmers have observed a rise in the market. Those who have grain stored on their farms are inclined to keep it now for some time to see whether or not a further rise in prices takes place.

* * *

Southern Damage

Estimates of the crops of both Argentina and Australia continue to be reduced as unfavorable conditions are reported to have taken a greater toll than seemed probable a month ago. But estimates are subject to further revision as harvest proceeds in both countries.

Commodity Prices

While commodity prices generally have remained irregular, prices of the agricultural group including wheat and livestock have been higher. In wheat, a better export demand for futures with anticipated heavier movement from seaboard has brought an advance of about six cents a bushel. In hog markets the new agreement for the supply of bacon to the United Kingdom has been a factor while good quality cattle generally are in demand for the Christmas trade.

In the industrial group, manufacturing demand was the main influence affecting cotton. Supplies in other items in this division were sufficient to maintain an easy price trend.

	Latest week	Previous week	Same week last yr.
Cattle	$7.75	$7.50	$7.00
Hogs	9.50	9.25	9.00
Copper, lb.	.13	.13¼	.11¼
Cotton, lb.	.1028	.0982	.0859
Rubber, lb.	.2012	.2050	.1587
Sugar, raw, lb.	.0295	.03	.03
Silk, lb.	3.37	3.41	1.76½
Wheat, Man. (bu.)	.76¾	.70⅞	.60¾
Coffee, lb.	.05¼	.05½	.05½
Hides	.14	.14	.11½
Weekly Indices			
Canada (D.B.S.)	79.7	79.6	73.5
Do., Wood, Gundy	66.5	67.2	55.4
U. S. Labor	79.0	79.1	77.3
Dow Jones (future)	57.56	56.31	47.89
Fishers'	84.7	84.0	80.4
Monthly Indices			
Canada (D.B.S.):			
Retail (Oct.)	84.7	82.9	83.8
W'sale (Oct.)	79.3	78.2	74.1
U. S. (Sept.)	79.1	75.0	78.3
Gt. Brit. (Sept.)	105.2	98.1	98.4

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Silk — Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat — No. 1 Man. North., Ft. W.-Pt. A. basis. Hides — No. 1 packer light.

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Ottawa to Control Workings Of British Bacon Deal

From Our Own Correspondent

OTTAWA.—By agreement announced this week, the British Government has undertaken to buy 4,480,000 lb. of ham and bacon from Canada each week until Oct. 31, 1940. The price agreed upon is $20.18 for Wiltshire sides, an English hundredweight of 112 pounds, f.o.b. Canadian seaboard.

If Canada can raise the hogs, Britain will accept up to 5,600,000 lb. a week.

This announcement will be followed very soon by the creation of a Dominion organization to regulate and control the bacon industry, to fix price spreads, and in other ways to see that the maximum benefit of the agreement accrues to the producers. Whether this organization will be a marketing board or the existing Agricultural Supplies Committee (set up under the War Measures Act) is uncertain.

Dean Shaw, of the marketing division of the agriculture department, is the chairman of the Agricultural Supplies Committee and he had most to do with the negotiations of the agreement. He went to London with Hon. T. A. Crerar early in November. The chances are that he will head the organization which will regulate and control the industry.

The agreement works out at about 2 million cwts. of bacon a year, which is the amount forecast by The Financial Post. This is an increase of 500,000 cwts. over exports to Britain last year.

What the price to be paid by Britain will mean to the producers cannot be given at the moment. The regulating body will work out a sliding scale of prices to producers under which they will be paid more for their hogs in the season when it costs most to finish them, and less in the season when production costs are down.

The general idea has been to fluctuate prices between 9 cents a lb. and 12 cents a lb. The low prices would be in the fall, the high price in the spring.

Steps will be taken, if necessary, to prevent the glut of hogs in the United States from flooding into Canada and breaking our price structure. In the last resort, power to prevent imports can be applied under the Foreign Exchange regulations.

CANADA BUD PAYS

Canada Bud Breweries Ltd. has declared a dividend of 20 cents a share, payable Dec. 20, 1939, to shareholders of record Dec. 14. A similar payment was made last July. The latest dividend is to apply on earnings for the year which began Oct. 31, 1939.

COTTON FABRICS AND YARNS
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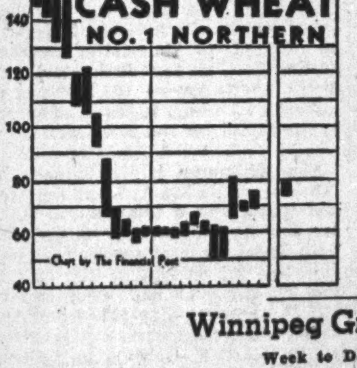
MAGOG Fastest Fabrics
DOMINION TEXTILE COMPANY, LIMITED
THE TEXTILE BUILDING, VICTORIA SQUARE, MONTREAL

Wheat Prices



	For Week Dec. 5 High	For Week Dec. 5 Low	Prev. Week High	Prev. Week Low
1 Hard	.79½	.74⅛	.72⅞	.70¼
1 Northern	.79½	.74⅛	.72⅞	.70¼
2 Northern	.77½	.72⅛	.71⅝	.68¼
3 Northern	.73⅛	.70⅛	.69⅝	.66⅞
4 Northern	.71	.68⅝	.67⅛	.64⅞
5 Wheat	.66¾	.64½	.62⅜	.60⅞
6 Wheat	.61¼	.59	.58⅜	.56¼
Feed Wheat	.60¼	.58	.57⅜	.55¼

Winnipeg Grain Futures

Week to Dec. 5, 1939

Crop year from Aug. 1, 1939 High	Low		Open Nov. 29	High for week	Low for week	Close Dec. 5	Close year ago
		Wheat					
.85	.51½	Dec.	.72¼	.79⅞	.72¼	.79	.60½
.88	.54⅞	May	.76⅝	.84	.76¾	.83⅜	.62½
.85¼	.76⅛	July	.78¼	.85¼	.78⅛	.84⅝	.63⅛
		Oats					
.41	.26⅛	Dec.	.33	.36¾	.33	.36	.28¼
.45¾	.27½	May	.34⅜	.38	.38¼	.37½	.29
.37⅝	.32	July	.34⅛	.37⅝	.34⅛	.37⅛	.28¼
		Barley					
.49⅝	.32⅝	Dec.	.43¾	.46⅝	.43¾	.46⅝	.37¼
.51⅝	.33⅝	May	.46	.49¼	.46	.48¾	.38⅛
.48⅞	.44	July	.45¾	.48⅞	.45¾	.48½	.36⅞
		Flax					
1.76	1.23¾	Dec.	1.62¼	1.73½	1.62¼	1.72	1.42
1.81	1.49	May	1.66½	1.77½	1.66½	1.76¼	1.38¾
1.74½	1.64½	July	1.67	1.74½	1.66½	1.74½	......
		Rye					
.65½	.37½	Dec.	.58⅛	.65½	.58⅛	.65⅜	.39¼
.67⅝	.40	May	.61⅛	.67⅝	.60⅝	.67⅛	.41⅞
.67⅝	.37⅝	July	[illegible]	.67⅝	.60⅝	.66⅞	[illegible]

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Week in Mining

Mine Tax Difficulty Still Awaits Action

Inco Head Orders Safety First For Men at Petsamo, Finland — Mines Are Important Part of Soviet Loot

Negotiations on amendments to the excess profits tax between mining interests and the Dominion Government which were in progress at Ottawa last week have so far produced no concrete results, The Financial Post is informed. The Government has shown itself willing to make changes; but so far there is no agreement as to what form the changes should take. C. Fraser Elliot, commissioner of income tax, and the Government's technical man on the subject, has been severely ill in recent weeks, further delaying a solution.

Rather Baffling

Performance of the mining stock market in the past three months (as analyzed elsewhere in this issue) is becoming rather baffling to the neophytes. Here and there on the mining list are bright spots, Naybob, Broulau and Senator Rouyn, all sponsored by Haras Corporation with backing of New York financial interests. Gold Eagle got some interesting ore developments. Morris Kirkland has resumed talk of reopening its mill and sinking to 2,000 feet. Kirkland Townsite bobbed up and down on the rumor that Wright-Hargreaves was looking at it.

Some argue that, for the present, much of the speculative interest has been taken out of the industrials, and senior mines; that nothing but the juniors and prospects offer the speculator long possibilities.

On the whole the market still has all the characteristics of almost exclusively professional interest and at the moment, operators are apparently disinclined to do much other than sit tight.

* * *

Get Out—Stay Out

Temporarily, at least, International Nickel is leaving its Finnish property to the tender mercies of war and fate. Robert Stanley, Inco's president, told his men at Petsamo to get out and stay out of the district so long as the shooting lasted. The Inco property, therefore, is deserted, left to the care of the Finnish army. Falconbridge Nickel with its refinery in the south of Norway states that everything is going smoothly. They are still a long way from the battlefield.

* * *

Mines' Big Loot

The Russians are using more nickel than their own plant at Monchegorsk can produce and the Inco mine at Petsamo looks like one of the best world deposits after that at Copper Cliff, Ontario and the mines in New Caledonia in the southern Pacific.

Copper is also in the Finnish loot. Europe's most important copper mine is the Outokumpu with its 20 million tons of 4% ore, now producing about 12,000 tons of blister copper yearly.

* * *

Protects Prospectors

Prospectors and others enlisting in the Allied forces will be protected by the Manitoba Government so far as mineral claims and rights are concerned, according to an announcement made by Hon. J. S. McDiarmid, minister of mines.

This protection will extend until six months after demobilization. A special regulation, Mr. McDiarmid announced, already provides that licenses of enlisted prospectors will be maintained in good standing during the period of enlistment. Forfeiture of mining claims or other rights through failure to complete assessment work or to apply for leases will also be waived as far as enlisted men are concerned.

* * *

McDonald Returned

John McDonald has again been elected to head the Manitoba Chamber of Mines at a meeting of the executive held this week. Other officials elected were Honorary President, Hon. J. S. McDiarmid, minister of mines for Manitoba, John Queen, mayor of Winnipeg, honorary vice-president; Fred V. Seibert, superintendent of resources for the Canadian National Railways, and F. J. Manning as honorary treasurer. Peter deWet was aagin appointed managing secretary of the Chamber.

* * *

Takes No Chances

From Sudbury comes the report that price of lumber purchased by mines has shown a rise since outbreak of war but that demand and prices appear to have been levelling off recently. Prices for mining materials are stated to be about 20% higher than last year.

Last October, International Nickel is reported to have placed orders for approximately 40 million feet of lumber with delivery during the year starting next June. Apparently the company is taking no chances on a shortage of lumber.

Pete's New Oil Starts Moving

International Pete. Settles On Dock Dues for Mene Grande Line

International Petroleum Co. officials inform The Financial Post that a satisfactory settlement of arrangements over dock dues at the terminal of the new Mene Grande pipe line in Eastern Venezuela has been arranged. Use of the dock facilities at Guanta, Venezuela, was held up for a few weeks until final details could be ironed out and dock dues settled. It is stated that the settlement does not place an onerous burden on the oil companies.

Shipments of oil from the new Oficina oil fields started as soon as the dock dues case was settled. Plans call for shipping about 45,000 bbls. of oil daily when facilities are in regular operation and this could be increased readily. International Petroleum shares in the development costs of this proposition and obtains a one-quarter interest in the oil produced. This is in addition to the production being obtained from the established Mene Grande fields in other parts of Venezuela.

By Dec. 15 of this year International Petroleum will have wiped out another $12.5 millions of the purchase price paid for share of Mene Grande Oil Co.'s output. This will leave $11.2 millions of the amount shown on the balance sheet as at June 30, 1938, still outstanding and due on or before Dec. 15, 1945. As there has been no statement as to financial developments in the meantime, it will not be known exactly what the standing of the obligations is until International Petroleum issues its reprts for the 18 months ended Dec. 31, 1939.

Colombia Output Up

Production of crude oil from Colombia, South America, for September was 1,894,941 barrels, or a daily average of 63,165 barrels. This compares with August production of 1,070,966 barrels, daily average of 62,934 barrels. For the first nine months of this year, Colombia produced 16,203,216 barrels against 15,710,955 barrels for the 1938 period.

Up to the middle of November, International Petroleum accounted for all the production of crude oil from Colombia but since the middle of November approximately 15,000 barrels daily have been marketed by Colombian Petroleum Co. from the Barco concession.

Production of crude oil in Peru declined again slightly in September. Output for that month was 856,779 barrels, a daily average of 28,555 barrels. This compares with 865,070 barrels and a daily average of 28,836 barrels in August.

For the first nine months of this year, Peru produced 8,154,611 barrels compared with 9,953,915 barrels for the 1938 period.

International Petroleum Co. has discontinued official statements as to crude oil output and the above figures are obtained from other sources.

Mining Concentrates

Acordia Porcupine Gold Mines issued 300,000 shares to Louis Cadesky on Nov. 22, in consideration of $4,000 cash and $11,000 owing by the company to Mr. Cadesky. Mr. Cadesky agrees to purchase 200,000 shares at 5 cents per share payable within 45 days, and receives an option on 1 million shares at 10 to 55 cents a share payable 50,000 shares within 75 days and thereafter not less than 50,000 shares a month. Authorized capital of the company is 3 million shares with 1,300,006 issued.

* * *

Algoma Galena Co. in Deroche twp., Ont., is stated to have large orders for all galena it can produce, according to J. Severin Auf der Maur, general manager. Operations were started last May, and preparations are nearly completed for shipping galena ore to the United States. Some 600 tons of high-grade galena are stock-piled at the mine, as well as 20,000 tons of low-grade. Officials state the ore runs from 10 to 70% lead, and 2 to 7% zinc as well as 4 to 10 ounces of silver per ton. Between 15 and 20 men are employed. One shaft is down 65 ft. and another 75 ft. Ore is loaded on stone boats and hauled 2½ miles to the railway.

* * *

Bralorne Mines has declared an extra dividend of 10 cents per share payable, along with the regular quarterly dividend of 20 cents on Jan. 15, 1940, to shareholders of record Dec. 30, 1938; ex-dividend Dec. 28. This brings total payments for the year to $1.20 compared with $1.05 last year.

* * *

Dome Mines production was slightly lower in November as shown below:

1939:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
November	50,800	1,693	12.74	647,244
October	52,800	1,703	12.67	668,837

* * *

Devon Gold Mines optioned 450,000 shares to E. M. McLean & Co., on Nov. 29, as follows: Blocks of 150,000 shares at 12½, 15 and 17½ cents per share, payable $18,750 on or before Jan. 31, 1940, and balance of $48,750 on or before March 31, 1940. Authorized capital is 3 million shares of which 1,344,405 have been issued.

* * *

Delnite Mines has had an average operating profit of $20,000 monthly in the first seven months of its fiscal year, April to October inclusive. As at Oct. 31, 1939, cash on hand and bullion in transit totalled $225,000.

The company's $406,000 debenture issue, owned by Delnite Mines, is being converted into stock at 70 cents a share. Additional mill equipment is expected to arrive at the property shortly, increasing mill capacity from 320 to 400 tons daily. Shaft sinking from 1,000 to 1,500 ft. is nearly completed and lateral exploration on five new levels is expected to commence shortly.

* * *

Electra Porcupine Gold Mines has approved sale of part of the company's property to Golden Sceptre Mines for 420,000 shares of that company and $10,000 cash.

* * *

Falconbridge Nickel Mines has declared a dividend of 7½ cents per share payable Dec. 29, 1939, to shareholders of record Dec. 15.

* * *

International Nickel has suspended operations at its sodium sulphate plant at Ormiston, Sask. Some time ago the plant was expanded and extra spur track constructed to take care of increased production. Demand for sodium sulphate has grown recently owing to the war. A strike in the Estevan coal fields has reduced the available supply of lignite, used at the Ormiston plant, but this was not the factor in suspension of operations. It is believed that Inco can obtain all the sodium sulphate required at prices below the cost of producing in its Saskatchewan plant.

* * *

Kiena Gold Mines has amended its agreement of Mar. 13 with Thayer Lindsley. Under the amended agreement, Mr. Lindsley has agreed to purchase 333,687 shares at 10 cents a share and 500,000 shares at 15 cents a share payable by April 1, 1940, and has been granted an option on 500,000 shares at 25 cents a share to Feb. 1, 1941. Authorized capital is 5 million shares with 3,205,884 outstanding.

* * *

Lava Cap Gold Mining Corp. shares will be removed from trading on the Toronto Stock Exchange at the request of the company.

* * *

Morris Kirkland Gold Mines plans to start milling again, and underground work is to be resumed in preparation of stopes. Further drifting and underground diamond drilling is also planned. Work on the 1,375, 1,500 and 1,625-ft. levels is stated to have tended to prove more uniform ore conditions at depth. Deep drilling has indicated an extension of similar conditions to 2,000-ft. depth.

* * *

National Malartic Gold Mines had planned to develop its property underground immediately from the No. 2 shaft of the adjoining Sladen Malartic Gold Mines but this work cannot now be started until about Feb. 15 as Sladen Malartic plans to sink No. 2 shaft further. In the meantime, National Malartic is continuing diamond drilling with two drills. The ore zone is being explored to the west at intervals of 100 ft. Further holes will likely be needed to the west, it is stated, and two more holes will be needed to the east to explore the easterly extension of the ore zones which are still open in that direction and known to connect through gold-bearing diorites with the East Malartic ore body. J. P. Norrie, the company's consulting engineer, has recommended that two deeper drill holes be put down near the centre of the ore zone to cut the most important ore at a depth of 450 ft. and also to determine dip. He also recommends continuing two cross section drill holes to explore the greenstone band as near the north contact several diorite bands similar to the ore carriers on East Malartic are exposed on surface. Drilling is expected to be terminated by the time exploration from the Sladen shaft commences.

* * *

New Ribago Mines has appointed an entirely new board of directors as follows: L. D. Dougan, A. C. Lee, John Cowan, G. D. Watson, and W. E. Webster. Head office has been moved to 11 King St. W., Toronto. Funds have been arranged to retire all indebtedness and a programme of diamond drilling is being started on the company's 12 claims in Beauchastel twp., Quebec, a mile and a quarter southwest of Waite Amulet. New Ribago also holds a controlling interest in Dufresnoy Mining Syndicate which has 28 claims under option in Dufresnoy twp. Other holdings comprise 400,000 escrowed shares of Continental Copper Mines with 49 claims owned or under option in Dufresnoy twp., and 700,000 shares in Blue Star Mines which holds property in the Kenora area.

* * *

Osway Gold Mines officials state that resumption of exploration is contemplated in the near future, on the company's Opeepeesway claims. Encouraging results were secured in the earlier surface workings. This included trenching along 2,000 ft. at right angles to the line of general strike. Nine shallow pits were sunk, but work was concentrated mostly on a discovery about the centre of the group of 17 claims. Osway is capitalized at 3 million shares, of which 1,150,000 have been issued. The property is about one-half mile northwest of Jerome Gold Mines.

* * *

Ontario Refining Co. has changed its incorporated name and now operates as The International Nickel Company of Canada, Copper Refining Division. International Nickel has since 1935 been owner of all the stock of Ontario Refining. Originally minority interests were held by the American Metal Co., Consolidated Mining and Smelting Co. and Ventures Ltd. These shares were gradually absorbed by Nickel.

* * *

Pamour Porcupine Mines has declared a dividend of 4 cents per share, payable Dec. 27, 1939, to shareholders of record Dec. 15; ex-dividend Dec. 14. Last previous payment was 8 cents a share on June 1, 1939.

* * *

Paymaster Consolidated has declared a dividend of one cent a share payable Jan. 5, 1940, to shareholders of record Dec. 23. Two similar dividends have already been paid this year. Production in November was slightly higher than in the preceding month.

1939:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
November	17,104	570	8.03	*137,478
October	16,219	523	8.46	137,155

*Gold at $38.

* * *

Roch-Maney Mining Syndicate has two groups of property in the Shebandowan Lake area, Thunder Bay district, Ontario. An inspection has just been completed by F. G. Huycke who recommends that work be concentrated on the more northerly of the two groups until the lake freezes solid enough for travel. Five test pits have been sunk on the north group and trenching has traced a shear zone for 1,320 ft. After the lake freezes, work is recommended for the south group.

* * *

Sunbeam Kirkland Gold Mines has arranged to treat around 100 tons of ore daily in the mill of Kenricia Gold Mines for a period of three months. Ore will be trucked from the Sunbeam mine in the West Hawk Lake area, Manitoba, a distance of 29 miles to Kenricia's mill in the Kenora area. Sunbeam Kirkland will decide later as to construction of its own mill. Some of the high-grade ore in the centre of the ore body will be milled first to pay cost of the test and then a section of the whole ore body will be treated to determine average grade. Work on four levels to 475 ft. depth has indicated 105,700 tons of material of which 90,000 is expected to run $10.55 per ton after sorting.

* * *

Senator-Rouyn has extended the ore on the 375-ft. level reported last week, and a total of 153 ft. of ore has now been opened up with both faces in high-grade material. On Nov. 27, drifting to the east at the 375-ft. level had been carried 95.6 ft. in ore grading $11.69 uncut or $10.53 cut grade across an average width of 8.41 ft. Drifting to the west shows continuous ore for 57.7 ft. running $15.23 uncut and $13.37 cut.

* * *

Straw Lake Beach Gold Mines issued 99,990 shares during November as a bonus on the $15,000 debenture issue, each $1,000 debenture carrying a bonus of 6,666 shares and an option on an additional 6,666 shares at 5 cents a share, exercisable within 8 months of the issue of the debentures. In respect of the issue of $15,000 of debentures, 20,000 shares were issued to W. W. Stoner as a bonus. Issued capital is 3,174,989 shares, leaving 1,325,011 shares in the treasury.

Week in Oils

Oil Interests Hopeful Of Regaining Marts

Fear Jumping Pound Story Will Not Be Told Before Christmas as Expected—Blame Irregularities in the Formation—Production Reduced

From Our Own Correspondent

CALGARY.—Reflecting the increasing use of automobiles and gasoline-driven farm machinery in the Prairie Provinces as result of the bumper wheat crop, a survey by The Financial Post indicates that 1939 production of Alberta oil fields will show a 12.3% increase over 1938 production. This is despite the fact that the marketing area served by these fields was substantially reduced this year by foreign oil competition.

Oil production in 1939, principally from Turner Valley, is now expected to reach at least 7.5 million bbls., compared with total yield of 6,742,039 bbls. last year. The marketing area served in 1938 extended from eastern British Columbia to western Ontario. Early this year the north-western Ontario and a large part of the Manitoba market were lost when rapid expansion of Illinois production flooded the market with oil at a cost with which Turner Valley reportedly could not compete.

Impressive Gain

The reduction in Alberta's 1939 potential oil production because of this has been estimated at from 1 to 1.2 million barrels. The 1939 potential production was also reduced by increased imports of Montana gasoline into southern Alberta and Saskatchewan. These imports, the equivalent of about 500,000 barrels of Turner Valley crude in 1938, have been estimated as high as 800,000 barrels for this year.

In view of these market losses the increase of about 800,000 barrels in Alberta production is all the more impressive.

* * *

Improved By Exchange

In recent weeks events point toward the Turner Valley recapturing its former part of the eastern market lost to Illinois and a large part of the Alberta and Saskatchewan market lost to Montana.

The exchange rate situation brought on by war has greatly improved prospects of eliminating foreign oil competition from the Prairies. One of the two major marketing companies is again shipping Turner Valley gasoline as far west as Winnipeg and the other is expected to follow suit this winter. McColl-Frontenac Oil Co., which is to take over Texas of Canada marketing outlets in February, is expected to switch from Texaco-Montana gasoline to the Turner Valley product, increasing Alberta production by as much as 800,000 bbls. annually.

Oilmen predict next year's Alberta petroleum production will ring up an even greater percentage increase than that of 1939 over 1938. Their claim is based on the steadily increasing prairie consumption, the probability that lost markets will be recaptured and the Empire air training scheme.

The plan probably will mean construction of polymerization plants in Alberta for the processing of aviation gasoline. While Turner Valley crude and "wet gas" is exceptionally suitable for manufacture of aviation gas, the limited market for it in the West has heretofore prevented expenditure for the special equipment required. All three of Calgary's new refineries, Gas & Oil Products Ltd., British American Oil Co. and Imperial Oil, are in shape to install equipment and process aviation gas on short notice once the demand arises.

* * *

Higher Yield

Alberta's oil production for October totalled 796,147 bbls., compared with 667,454 bbls. in Oct., 1938. The yield brings production for the first 10 months of 1939 up to 6,3966,814 bbls., an increase of 554,785 bbls. over the same period last year.

November production is expected to total about 700,000 bbls., a heavy increase over the yield of 427,236 bbls. in that month last year. December production, based on the new quota of 14,000 bbls. per day, ordered for Turner Valley wells Dec. 2, is expected to approximate the Dec., 1938, total of 472,236 bbls.

* * *

Cut to 14,000

Under a Conservation Board order which went into effect Dec. 2, Turner Valley oil yield was cut from 20,000 to 14,000 bbls. daily. The cut, not expected quite so early this month, was designed to balance production with reduced winter market demands, heavy production during the past few weeks having raised refiners' storage to satisfactory levels. All refiners are now believed to have reached their approximate low point for the winter and only minor revisions in allowable are expected between now and early spring.

The new quota is shared by 91 oil producers. Top ranking wells, and their respective quotas, are as follows: Home Millarville 2, 384 bbls.; Royalite 42, 335 bbls.; Anglo-Canadian 3, 316 bbls.; Royalite 36, 287 bbls.; Anglo Canadian 5, 284 bbls.; Vulcan Brown 1, 279 bbls.; Extension Oils 1, 257 bbls.; Extension Oils 2, 250 bbls.; Royalite 30, 247 bbls.

Under the new schedule, the recently completed central flank test, Argus Royalties 1 is assigned a temporary quota of 100 bbls. daily, pending completion of Conservation Board tests. The well is showing flows as high as 270 bbls. daily, with booster-gas aid following a series of acid treatments applied to open up "tight lime."

* * *

Delay at Jumping Pound

Irregularities in the formation at the important Brown Consolidated Jumping Pound test have upset hopes that the well would be completed by Christmas. How serious the irregularities are, however, has yet to be determined. Drilling is proceeding below 6,803 ft., with core being taken periodically and undergoing careful inspection by company and government geologists to determine exactly what formation is being penetrated. The rotary bit has topped the Dalhousie sand at 6,285 ft. and the Brown sand at 6,440 ft. Prior to encountering the formation irregularities, it had been expected the Madison lime would be reached around 6,700 ft.

* * *

19 Now Drilling

Drilling has been resumed at two "idle" Turner Valley tests, bringing the total number of current drilling wells to 19. Preparations to spud are being made at 14 other locations. The resumed wells are Royal Canadian 4, in lsd 12 32-18-2w5, formerly known as Vantage No. 1; and Davies Petroleums 5, in lsd 10 18-19-2w5, formerly known as Davolite No. 1. Heavy duty rotary equipment is being used at both tests.

Amal. Kirkland Pulls Best Hole

Diamond drilling the new surface showing at Amalgamated Kirkland Mines continues encouraging with the last hole completed —No. 10—returning $16.50 across a width of 6 ft. or $12.05 across 10.8 ft., making it the best hole yet pulled. The No. 10 hole was located 100 ft. east of hole No. 9 reported last week and encountered ore in typical structure at a depth of approximately 125 ft.

Hole No. 9 returned $14.70 across 0.9 ft. and $3.50 over 2.7 ft. in contiguous sections at a vertical depth of 80 ft.

As the showing apparently extends over 600 ft. at surface, chances for a continuation of values in drilling appear good. Holes will likely be continued along the strike at 100-ft. intervals to outline more fully possibilities of the surface showing.

Sid W. Miller Is Convicted

From Our Own Correspondent

VANCOUVER.—Sid W. Miller, a former president of the Vancouver Stock Exchange, although not a member for some time, was found guilty here of conspiracy to defraud the public and shareholders of Freehold and Hargal Oil Companies. He was sentenced to 18 months hard labor with a fine of $5,000. The sentence has been appealed.

Judge John Charles McIntosh in his summing-up declared that there had been a "complete, active and potent concert" between Miller and J. W. McLeod to defraud the public and shareholders, and that assets of Freehold and Hargal were "traded back and forth without regard for the welfare of the shareholders."

North. Canada Profit Higher

Working on Properties of Hutchison Lake and Woco Gold Developments

Earnings of 5.9 cents a share reported by Northern Canada Mines for the year ended Sept. 30, 1939, represented a large increase over profit of 0.6 cents a share the preceding nine months of operation.

The company follows a policy of crediting profit on securities sold, after exploration expenses, to a distributable surplus account which was increased $4,290 to $142,872 in 1939. Cleaning up the company's investment portfolio limited the profit realized, it is stated.

The greater proportion of the company's assets are in Canadian gold mines. In spite of a decline of 13% in the gold mining average of the Toronto Stock Exchange, the company's net assets declined less than one fifth of one per cent. No disposal of the income tax question involving distribution of Kirkland Lake shares by a predecessor company has yet been reached but shareholders will be advised as soon as a decision is reached, it is stated.

Exploration Results

Continuing its policy of co-operating with other companies in examination of properties, 243 were examined during the year and options were taken on 15. At the end of the year work was proceeding on two where encouragement had been received. These were the Hutchison Lake property in the Little Long Lac area, where further work is stated to be justified, and the 41-claim property of Woco Gold Developments in the Uchi area. Diamond drilling is proceeding on the Woco property following encouraging surface work. Associates are participating in the option to purchase the Woco claims.

Through the turning over of two claims, 33,333 shares were acquired in Amalgamated Kirkland Gold Mines which is carrying on active exploration.

Income and Surplus Account
Years Ended Sept. 30

	1939 $	*1938 $
Net inc. from int. & divds.	66,689	26,718
Less: Expenses	14,242	20,297
Net profit	52,447	6,421
Add: Prev. surplus	6,421	......
Surplus forward	58,868	6,421

*From Dec. 30, 1937 to Sept. 30, 1938.

Earnings per Share & Divd. Record:

	1939	*1938
Earned	$0.059	$0.006
Shares Outstanding	1,000,000	1,000,000

Working Capital
As at Sept. 30

	1939 $	1938 $
Current assets*	48,271	69,531
Current liabilities	15,528	15,131
Working capital	32,743	54,400

*Not including securities which had a market value of $852,031 in 1939 and $831,948 in 1938.

Pick Liquidator For Stadacona

Protective Committee Formed by Noteholders — Two Government Enquiries

Stadacona Rouyn Mines was placed in liquidation this week when George Duclos of Montreal was appointed provisional liquidator in bankruptcy court. A meeting of creditors will be called shortly, it is understood. The liquidator plans to petition the court for authority to carry on the business.

A Noteholders Protective Committee has been formed by holders of the company's 8% convertible notes. Members are: W. A. S. Ayerst, A. L. Caron, D. H. McDougall, J. H. Norris, J. R. Ryan. Secretary is Watson Gillean.

Object of the committee is "to obtain accurate information as to the condition of the company's affairs, to take such conservative action as may be deemed necessary to safeguard the interests of the noteholders and to consider any proposal that may be submitted to the noteholders; or, if deemed advisable, itself to prepare and submit a proposal for the consideration of noteholders."

Investigations into the financial affairs of the company have been started by both Ontario and Quebec authorities.

Caryl Plans Distribution Of Chesterville Holdings

A special meeting of shareholders of Caryl Mining Corp. has been called for Dec. 12 in Toronto to approve by-laws for distribution of assets and winding up the company. The company's balance sheet as at Nov. 17, 1939, shows $556 cash on hand and 125,000 shares of Chesterville Larder Lake Gold Mining Co. There were no current liabilities. Issued capital was 860,568 shares.

On approval of the by-law for distribution of assets, the company plans to distribute one Chesterville share for each seven Caryl shares held with any balance remaining to be distributed in cash. This distribution will be effected as soon as a clearance is obtained from the Dominion income tax authorities.

Berens River Operates Gold Mine in Far North

Milling operations at Berens River Mines, Ontario's most northerly gold producer, were commenced on Sept. 8, 1939, and have since been on a regular basis.

Production for October amounted to $72,900 from 4,722 tons of ore milled for an average recovery of $15.45 per ton. September output was approximately $17,997, considerable gold having been tied up in the mill circuit in tuning in operations.

Northern Royalties Well Drilling in Limestone

From Our Own Correspondent

WINNIPEG.—Northern Royalties well at Kamsack, drilling with a heavy duty rotary has set casing at 1,140 ft. and cemented it. The well is 45 ft. in the lime and operators believe production of oil or gas, or both, may be expected at any time. Drilling is proceeding.

Senator-Rouyn has received Dec. 1 underwriting installment of $15,000 covering 50,000 shares from Haras Corporation under its amended agreement. Issued capital is now 2,683,333 shares, leaving 316,667 in the treasury.

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Ontario Mine Output Sets All-time Record

Production in First Nine Months Exceeds Same Period of 1937, The Previous Record Three Quarters, By 4.1%—Gold is Up 10.8%

Mines, smelters and refineries in Ontario set a new record for mineral output in the first nine months of the current year, when $159.3 millions of metals were produced against $149 millions for the same period last year. The previous record year—1937—was exceeded by a margin of 4.1%.

Not only was gold the largest single item in the 1939 figures at $81.3 millions but this metal also showed the greatest increase in dollar value, being up over $6 millions.

Nickel output, in all forms, was the second most important, having a value of $43.1 millions against $41.3 millions last year. Copper placed next with output worth $25.2 millions against $23 millions in 1938.

Details of output for the first nine months of the current year as tabulated by the Ontario Department of Mines are given below:

Ontario Mineral Production
Nine Months Ended Sept. 30

	1939 $	1938 $
Gold	81,270,635	75,220,595
Silver	1,313,304	1,302,433
Platinum	7,355,868	7,437,736
Copper	25,290,533	23,131,517
Nickel	43,113,769	41,282,368
Selenium	132,877	95,510
Cobalt	781,575	518,766
Iron ore	109,285	......
Lead	348	423
Molybdenite	......	4,500
Total value	159,368,194	148,993,848

The quantity of each mineral produced was higher except for lead and molybdenite, neither of which is of importance in Ontario as yet.

Higher Output Forecast

Based on production figures for the first nine months, the Ontario Department of Mines estimates 1939 mineral output at $237,513,870 against $219,925,545, the corrected figure for 1938. If the 1939 estimate is realized, it will set the record to date for mining in Ontario. Figures for both years include a small amount for non-metallics.

Highlights in Ontario mining the first nine months of 1939 were resumption of production of iron ore during July and an increase in the price of gold by 10% in September. Although output of platinum increased by no less than 34.2%, value showed a decrease due to the drop in the platinum price.

Production of some of the Ontario gold mines, not previously available, has been included below:

HALLNOR

	3rd qtr.	2nd qtr.
Total recovery	$624,984	$643,897
Tons milled	31,140	30,401
Recovery per ton	$ 20.07	$ 21.18
Tons daily	338	334

PAMOUR

	3rd qtr.	2nd qtr.
Total recovery	$588,681	$586,994
Tons milled	148,191	145,735
Recovery per ton	$ 3.97	$ 4.03
Tons daily	1,611	1,601

TYRANITE

	3rd qtr.
Total recovery	$101,636
Tons milled	21,692
Recovery per ton	$ 4.69
Tons daily	....

OMEGA

	3rd qtr.	2nd qtr.
Total recovery	$216,473	$228,292
Tons milled	44,529	44,543
Recovery per ton	$ 4.86	$ 5.13
Tons daily	593	489

WRIGHT-HARGREAVES

	3rd qtr.	2nd qtr.
Total recovery	$2,632,006	$1,983,386
Tons milled	110,680	109,600
Recovery per ton	$ 18.36	$ 18.10
Tons daily	1,203	1,204

TECK-HUGHES

	3rd qtr.	2nd qtr.
Total recovery	$825,516	$898,647
Tons milled	96,030	97,635
Recovery per ton	$ 8.60	$ 9.18
Tons daily	1,044	1,073

HOLLINGER

	3rd qtr.	2nd qtr.
Total recovery	$3,719,617	$3,819,875
Tons milled	413,749	429,793
Recovery per ton	$ 8.99	$ 8.89
Tons daily	4,497	4,723

HOLLINGER, HISLOP PROP.

	3rd qtr.	2nd qtr.
Total recovery	$133,912	$122,141
Tons milled	13,680	13,092
Recovery per ton	$ 9.79	$ 9.33
Tons daily	149	144

TOMBILL

	3rd qtr.	2nd qtr.
Total recovery	$137,703	$136,790
Tons milled	9,153	10,048
Recovery per ton	$ 12.32	$ 13.61
Tons daily	110	110

DELNITE

	3rd qtr.	2nd qtr.
Total recovery	$200,074	$220,020
Tons milled	28,405	28,661
Recovery per ton	$ 7.04	$ 7.68
Tons daily	309	315

SYLVANITE

	3rd qtr.	2nd qtr.
Total recovery	$597,436	$618,481
Tons milled	51,426	49,210
Recovery per ton	$ 11.62	$ 12.57
Tons daily	559	541

KENRICIA

	3rd qtr.
Total recovery	$ 20,783
Tons milled	7,038
Recovery per ton	$ 2.98
Tons daily	....

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Beresford Lake drifting to the north at the 250-ft. level is now stated to have reached the ore zone indicated by diamond drilling from surface for a length of 400 ft. Eighty feet of drift is now stated to show visible gold over narrow widths with the last three rounds broadening out to drift width. Values up to an ounce gold per ton were reported from the surface showing.

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War Bogs Down Mining Shares

Prices Drift Back to Prewar Level

After Brief Early Flurry in Market

The first three months of war have added little honor to the prophets. Six months ago, the majority of mining investors would have predicted the effect of war on the mining markets in some such manner as this:

"Golds will sell off, particularly the younger golds with small profit margins, because war will bring higher costs. Base metals will advance with rising metal prices, and the rise will be most pronounced among the junior producers which have been handicapped by low prices."

Calculations Upset

But at November 30, those who had arrived at this logical conclusion had only had a brief week or two of seeing their predictions fulfilled, followed by two months in which stock prices slowly returned to the levels held in the spring and early summer of 1939. Not only have prices drifted back, but the settling period has left the younger golds in a somewhat stronger, the junior base metals in a somewhat weaker position. While the senior golds have declined narrowly, the senior base metals have not advanced enough to cover brokerage fees.

With a view to determining the effects of the war, the four groups of stocks below have been selected from the listings on the Toronto Stock Exchange. Omitted from the four groups are a few prominent issues such as Lake Shore, which appeared to be reacting to internal conditions rather than to general market influences. Certain other issues have been left out because they were difficult to classify. The result is that in the two groups of gold stocks. Group I stresses the senior investment issues and Group II emphasizes the younger, more dynamic sections of the market.

A second problem was to establish a period when mining prices were neither discounting the coming war, nor unduly influenced by any other factor.. The course of prices during April, May and June seemed to satisfy these conditions, fluctuations were not extreme and war scares were few. Consequently, the closing bids for these three months have been averaged to arrive at the prices in the "prewar" price column.

GROUP I

	Nov. 30	Prewar
Bralorne	11.00	10.92
Cariboo Gold Quartz	2.18	2.13
Central Patricia	2.30	2.33
Dome	28.00	31.50
Hollinger	14.50	14.50
Kirkland Lake	1.30	1.43
Little Long Lac	2.95	2.81
Macassa	4.30	4.35
McIntyre	56.00	54.65
McKenzie Red Lake	1.25	1.24
Perron	1.93	1.72
Pickle Crow	4.20	4.65
Pioneer	2.15	2.40
San Antonio	1.91	1.55
Sheep Creek	1.17	1.11
Sylvanite	3.10	3.18
Toburn	1.60	1.76
Wright-Hargreaves	7.95	8.00
	147.79	150.23

GROUP II

	Nov. 30	Prewar
Beattie	1.05	1.17
Chesterville	0.85	0.99
Coniaurum	1.65	1.45
East Malartic	3.10	2.44
Kerr Addison	2.02	1.71
Leitch	0.75	0.77
Hard Rock	1.29	1.04
Moneta	0.87	1.07
Paymaster Consolidated	0.35	0.41
MacLeod Cockshutt	2.20	1.99
Powell Rouyn	1.85	1.76
Preston East Dome	2.11	1.44
Sullivan	0.75	0.79
Uchi	0.82	1.31
	19.66	18.34

Base Metals—Group I

	Nov. 30	Prewar
Consolidated Smelters	47.50	42.00
Falconbridge	4.20	5.00
Hudson Bay	31.12	30.12
International Nickel	45.50	47.00
Noranda	75.50	76.00
	203.82	200.12

Base Metals—Group II

	Nov. 30	Prewar
Aldermac	0.35	0.31
Normetals	0.60	0.39
Sherritt Gordon	1.10	0.96
Waite Amulet	5.50	6.42
	7.55	8.08

If a man had bought one share of each of the base metal issues at the prewar price, he would show at November 30 a gross profit of $2.17 on an investment of $208.20. The man who had bought one share of each of the gold mining companies would show a loss of $1.12 on an investment of $168.57.

Same Story

The Toronto Stock Exchange averages tell the same story. Three of the indexes have moved so narrowly as to be barely worth recording:

	Nov. 30	Prewar
Golds	115.13	117.08
Base metals	84.94	85.24
Western oils	29.66	29.54

It is only when we look at the action of the industrial markets in Toronto and New York that we see anything like what was generally expected before the war broke out.

	Incr. %	Nov. 30	Prewar
Toronto industrials	9.8	120.86	110.06
Dow-Jones industrials	10	145.69	132.42

Even in the case of the industrials, the rise is not exceptional. The movement in New York has aroused frequent comments on the manner in which stock prices are lagging behind business activity.

What is the Reason?

What is the explanation for this lack of interest?

It is always dangerous to attempt an explanation of price movements until sufficient time has elapsed to reveal the true causes. However, it appears that investors have come to the conclusion that the prospects of gold mining companies are practically unchanged by the war, i.e., that what these companies have gained through exchange depreciation will be balanced by rising costs or increased taxation, or both. In the same manner, it seems that investors expect Canadian base metal producers to lose what they gain through capacity operations as a result of the price concessions made to the British Government. Stated in other terms, one explanation of the sluggish markets is that antiprofiteering devices have succeeded in keeping the mining industry at peacetime earning levels.

A second explanation would be that the markets are discounting an early peace. This explanation has the virtue that the cessation of warfare would be more likely to bring share values to peacetime levels than would be possible if war were to continue, even with the most careful regulation of profits.

A third possibility is that investors, following the early burst of excitement in the first days of the war, have come to the conclusion that it is best to stay on the sidelines until they can be surer of the course which the war will take. Certainly, many of the developments to date have not been according to predictions, not the least being the unexpected behavior of the stock markets.

Investors Are Urged To Choose Mine Stocks

Entrants in The Financial Post's Investment in Wartime contest selected 57 mining issues as worthy of mention in investment portfolios.

Of 57 stocks selected, all but seven are producers, and two of the latter are holding companies interested in producing mining properties. Thirty-eight of the total pay dividends.

Base metal issues comprised nine of the stock chosen, and secured no less than 264 mentions. Next came 46 golds selected 186 times. Three remaining companies were listed seven times.

The Financial Post has tabulated below all the mining issues mentioned in more than one portfolio.

Inter. Nickel	90	Pickle Crow	7	McKenzie Red Lake	3
Noranda	85	Sherritt Gordon	7	Premier	3
Consol. Smelters	39	Preston E. Dome	5	Steep Rock	3
Hudson Bay M. & S.	32	Kerr-Addison	4	Coniaurum	2
Dome	25	Lamaque	4	Eldorado	2
McIntyre	20	Perron	4	Falconbridge	2
Hollinger	17	Teck-Hughes	4	God's Lake	2
Wright-Harg.	13	Waite Amulet	4	Golden Gate	2
East Malartic	11	Cariboo G. Quartz	3	Little Long Lac	2
Macassa	8	Central Patricia	3	Powell-Rouyn	2
Bralorne	7	Kirkland Lake	3	Sylvanite	2
Lake Shore	7	Leitch	3	Ventures	2

Naybob Opens New Ore Body

Haras Corp. Takes Part in Financing—Company Now Realizing a Profit

A new ore body has been opened up on three levels at Naybob Gold Mines. From present indications, it appears the most important yet found.

On the 700-ft. level, 350 ft. of ore has so far been opened up while the ore length on the 500-ft. level is reported as over 500 ft. Maximum width is 35 ft. at each of these horizons. Diamond drilling indicated the upward continuation of this ore on the 400-ft. level and last week the ore body was found at this horizon. Car samples from the first two rounds taken out were stated to average $60 per ton. A grade of $13 per ton was computed for a width of 14 ft.

Above Mine Average

Gold content is stated to be considerably above the mine average. Since the ore is open to the west in unexplored ground and extensions are untested, chances of expanding ore dimensions appear good.

Plans call for work to locate the new ore body on the new bottom level at 825-ft. depth and also above the 400-ft. level. The new vein lies in the same mariposite zone where a high-grade shoot was opened last year but is 350 ft. farther west at the 700-ft. level.

Operating profit for September and October amounted to $24,037. Earnings for November, it is stated, should leave some margin after retiring outstanding mortgage indebtedness. On Nov. 18, the company stated that indebtedness had been reduced to practically a current basis.

Strong financial backing for any proposed exploration or expansion programme is indicated with the announcement that Haras Corporation has acquired an interest in financing the company.

Broulan Locates High-Grade Ore

High-grade ore is being opened up at Broulan Porcupine Mines in drifting east of the fault in the displaced section of No. 1 ore body. Drift sampling the length of 70 ft. opened averages $59 per ton uncut or $30 per ton cut over drift width of 6 ft. The east end, and width, of this ore are yet to be determined.

During the initial 19 days of milling to Nov. 24, a total of 4,844 tons of $9.40 grade were milled. Two thirds came from stock piles, the balance from underground. Completion of the sorting belt and drawing of all ore from underground should result in an increase in the average grade of ore treated shortly.

Gold Output Climbs 9.8%

Canadian gold production in the nine months ending September was 9.8% higher than production in the same period last year. Output for that period this year was 3,803,202 ounces.

Following are figures showing detailed output for September.

	Oz.
Ontario	247,412
Quebec	79,398
British Columbia	52,038
Manitoba and Saskatchewan	22,636
Yukon and North West Territories	17,567
Nova Scotia	2,415

Nine months' production last year was 3,464,398 oz. Average price received for gold in September this year was $37,208 an ounce.

South African and United States production was also considerably higher in the nine months.

COAL COMPANY DIVIDENDS

International Coal & Coke Co., Coleman, Alta., has declared a dividend of 1½ cents a share on its common stock, payable Dec. 15, 1939, to shareholders of record Dec. 9. This brings total dividends paid this year to three cents a share.

See Iron-Steel Unit In B.C.

Deputy Mines Minister Says British Interests Ready to Enter Field

From Our Own Correspondent

VANCOUVER.—Talk of establishing an iron and steel industry in British Columbia has been revived by the announcement before the mining committee of the provincial legislature by Dr. John F. Walker, deputy minister of mines, that British interests are willing to enter this field.

Dr. Walker disclosed that his department was making an exhaustive survey of resources of cheap power and the extent and grade of iron deposits and coal. Also being appraised are the industries that could be developed from these resources, including the manufacture of iron, steel, aluminum and other products.

Some Sceptical

Private mining interests are yet to be convinced that there will be action along this line for some years. They point out that the market situation has not appreciably improved; that competitive costs are unfavorable; that hematite ore is not available in large quantity near the coast and that Vancouver Island coal is of nonferrous grade. Further, they doubt that Britain would permit the export of sufficient capital in wartime to get such a project, costing between $20 millions and $25 millions, under way. The mill would have a capacity of at least 450 tons.

There is an abundance of cheap power in British Columbia, and the Chilko site is regarded as one of the finest hydro-electric possibilities on the continent. The cost of its full development, according to Dr. Walker, would be about $100 millions.

There is a large deposit of magnetite on Texada Island and of hematite near Kitchener in the Kootenay. In the Fernie district the province has huge resources of good ferrous coke, one mine alone having 100 years' supply in sight on the basis of 1,000 tons a day.

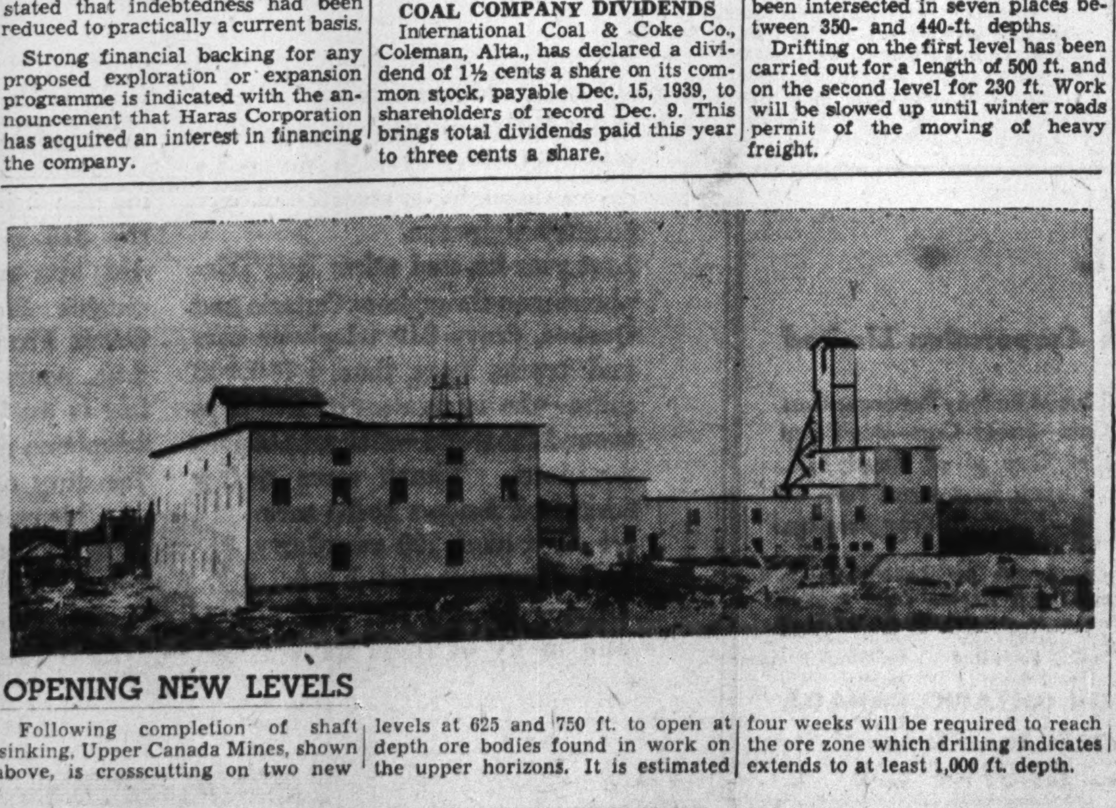
Mill Decision Reported For Golden West Mines

From Our Own Correspondent

WINNIPEG.—Golden West Mines, on the northwest shore of Elbow Lake, is slated to go into production next summer following the completion of the 290-ft. shaft to 600 ft., according to Dr. J. F. Wright, recently at the property.

Equipment for mill and additional plant will be moved to the property during the present winter. A programme of exploratory drilling has been completed and the vein has been intersected in seven places between 350- and 440-ft. depths.

Drifting on the first level has been carried out for a length of 500 ft. and on the second level for 230 ft. Work will be slowed up until winter roads permit of the moving of heavy freight.



OPENING NEW LEVELS

Following completion of shaft sinking, Upper Canada Mines, shown above, is crosscutting on two new levels at 625 and 750 ft. to open at depth ore bodies found in work on the upper horizons. It is estimated four weeks will be required to reach the ore zone which drilling indicates extends to at least 1,000 ft. depth.

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Mining Enquiries

Northern Lead-Zinc

Is there any chance Northern Lead-Zinc will be brought into production?

No serious development work has been carried out at the property of Northern Lead-Zinc Ltd. in recent years, outside of statutory assessment work. The company holds a very large property, comprising approximately 30 square miles of lead-zinc leases on the south side of Great Slave Lake in the North West Territories. Apparently there are good possibilities of opening up one or more ore bodies, but during the last few years, the controlling interests, Consolidated Mining & Smelting Co., have been devoting most of their attention to gold properties in their search for new producers.

While lead and zinc are both selling at fairly high levels in the world market, Canadian producers are not able to benefit as they are not receiving world prices, but the fixed prices being paid by the British Government. There might be some interest in bringing Northern Lead-Zinc into production at this time if it were certain world prices for lead and zinc could be obtained. This is not the case, however.

Little Long Lac

What is the present outlook for Little Long Lac Gold Mines?

Production of Little Long Lac Gold Mines has been somewhat higher in 1939 than in 1938 and it now appears that profits for the year will at least equal the 24 cents per share earned in 1938. The company finished writing off pre-production expense last year and this may result in earnings of 3 cents per share higher than would otherwise be the case.

Dividends have been maintained at the rate of 30 cents per annum, in interim payments, for the last three years and at the annual meeting last May, the president stated there was no reason why the dividend rate cannot be maintained, with a possible increase if conditions warrant. He stated, however, it would always be the company's policy to provide sufficient cash to meet any contingencies.

Development at depth has apparently been giving ore comparable with that on the upper levels with 1,200 ft. of ore reported to be opened up on the 1,600-ft. level. From ore lengths disclosed during the current year, it is anticipated that ore reserves have been at least maintained if not increased since January 1, 1939, when ore available amounted to about 4 years' milling requirements. Although speculative possibilities of Little Long Lac appear somewhat restricted—no big new ore sources have been reported for some time—still chances of the company maintaining its present earnings appear satisfactory. The increased price of gold should be much more than offsetting increased costs experienced since the outbreak of war. Of course, some new factors may come into the situation which is not yet apparent, but this is true of any mining investment.

International Nickel

What is your view on shares in International Nickel?

Outbreak of war has placed International Nickel in a changed position. Most of the company's copper output, a big source of revenue, is now being sold to the British Government at a fixed price so that profits from this source are not likely to increase much unless production is stepped up.

Nickel has been sold at a fixed price of 35 cents a pound, U. S. funds, for a considerable number of years. It is anticipated this price will be continued. Revenue is likely to increase, however, because of a larger output. Reports that plants are working up to peak capacity suggest this is already on the way. After plants reach capacity, the company could possibly increase output still further by raising the average grade of ore treated.

While International Nickel may have to write off its investment in the Petsamo mine in Finland due to invasion of that country by Soviet Russia, it must be realized that this mine was not expected to reach production until late 1940. Even then it would represent only a very minor part of the company's productive capacity.

Readjustment for International Nickel after the present war should not be as serious as last time. Nickel now has a wider use in industries of peace than those of war. No peacetime uses had been developed at the close of the last war.

As reported in these columns recently, earnings for 1938 will likely be close to $2.50 a share. With a continuation of the war, estimates have been made that 1940 earnings will be in the neighborhood of $3 a share. It appears these estimates are based on capacity production.

Find Gold Zone at Wampum Lake

Several Groups Staked By First Prospectors to Reach the Area

A new discovery of gold has been made at Wampum Lake, 45 miles north of Fort Frances, northwestern Ontario, The Financial Post is informed. The strike was made by Ken MacRae prospecting alone the latter part of the summer.

Five gold-bearing zones are stated to have been located in a width of about 1,000 ft. The north system has shown one section returning values up to $34.50 across 36 inches. Interesting values have also been secured in the veins to the south which show lengths up to 300 ft.

After hearing of the new strike, Karl Springer, "Scotty" MacLeod, W. B. Airth, A. Norton and Hugh McRae, went into the new field. Karl Springer and Scotty MacLeod staked to the west of the discovery group and Bert Airth, representing Gypsy Yellowknife, located claims to the west of the Springer-MacLeod group again.

Finances are stated to have been provided by one of Ontario's gold producers for financing the Wampum Lake discovery and Wampum Gold Mines has been formed to develop the showing.

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BRANCHES FROM COAST TO COAST

East Malartic Cuts Its Costs

Operating Cost Down to $2.39 in October—In January, $3.44

Operating costs at East Malartic Mines have been sharply reduced in 1939 with the October figure down to $2.39 a ton against $3.44 in January and $2.92 a ton as late as last May. Although operating costs have been reduced, there has been no lowering of the grade of ore treated, average recovery amounting to $7.52 in October, up from $6.37 a ton last January.

Based on October production of $238,661 from 31,736 tons of ore milled, operating profit for October was approximately $162,806. Non-operating charges in 1938 ran 72 cents a ton and, if a similar charge is assumed in 1939, October net profit would be around $139,956, or nearly $140,000. This would represent an annual rate of $1,680,000 or 42 cents a share on 4 million shares outstanding. An increase in milling capacity from 1,000 to 1,500 tons daily was scheduled for early December and, with no change in costs or average recovery, profits could run as much as 63 cents a share. Reduction in unit costs with a higher tonnage should offset at least in part any drop in average grade of ore treated. What effect the excess profits tax will have is not known.

During October. two diamond drill holes were completed north and south from the main east drift on the 670-ft. level. The south drill hole cut a width of 52.5 ft. of ore averaging $8.05 per ton, while the north hole gave 33.3 ft. running $5.18 per ton. Total width was 92 ft., averaging better than $6.50 a ton with gold at $35. A drill hole put out north from a drift on the 820-ft. level cut 11 ft. of $4.15 ore adjacent to the drift.

Drifting east on the 820-ft. level was carried 164 ft. in October in ore grading $4.73 per ton over drift width. The west drift at the same level was advanced 134.5 ft., averaging $6.61 per ton across drift width.

Placing of the timber matte in the west stopes is stated to be approximately half completed and back-fill operations are proceeding satisfactorily.

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Canada's Power Demands Grow

Nearly 92% of October Output Used in Dominion; Ontario Big Factor

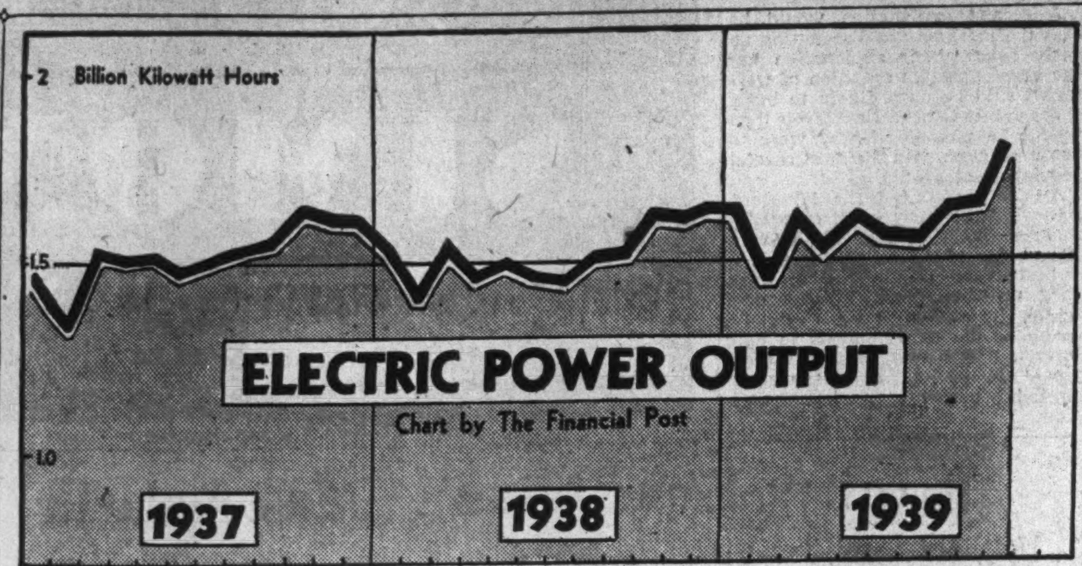

Chart by The Financial Post

Demand for electric power has been steadily rising in Canada and especially in Ontario. Chart shows the output, minus that for export and electric boilers by central electric stations.

From Our Own Correspondent

MONTREAL. — Canada's central electric stations established an all-time high record production in October. Two factors were mainly responsible for this showing: continued sharp rise in Ontario's power load and greater demands of the newsprint industry.

There are other significant features which make returns for October more than ordinarily interesting. Industrial operations across the country have been on a greater scale since the war started. Retail trade has been better than average. Other factors have been present, all of which should bring about a much wider demand for electrical energy.

Examination of the returns, when broken down to economic areas, reveals that the record production in October was due more to the change in the Ontario picture and the newsprint situation than to other causes. The Maritime Provinces, for example, actually used very little more power than they did a year ago. British Columbia was in much the same position, while the Prairies reported a moderate gain.

Ontario, in particular, and Quebec to a lesser degree, accounted for nearly all of the increased production. As far as can be ascertained the greater industrial activity in Ontario is mainly responsible for the relatively heavy increase in energy consumption over the past year. Quebec also has recorded a good gain, but the increase in that province is mainly attributed to the increased activity in the newsprint industry, which is a very big consumer of electrical energy.

Last month central stations produced 2,589,956 thousand kilowatt hours of electrical energy. This compared with 2,438,162 M. kw.h. in October last year.

Well Ahead of 1938

For the first 10 months of 1939, the Bureau of Statistics reports production aggregated 23,213,735 M. kw.h., as against 21,283,948 M. kw.h. in the like period of 1938.

A breakdown of the returns for October and the 10 months ended October, with comparative figures for last year, are shown in the accompanying table which sets out, for the first time, a new analysis of the central station operations.

Canada's Power Picture

BREAKDOWN OF CENTRAL STATION RETURNS
OCTOBER, 1939
(With comparative Oct., 1938 figures in brackets)
(Returns in thousands of kilowatt hours)

Area:	Production	Net Exports	Net Imports	Consumed
Maritimes	78,877	1,465	....	77,412
	(77,920)	(1,430)	....	(76,490)
Quebec	1,394,323	303,944	....	1,090,379
	(1,233,152)	(254,063)	....	(971,089)
Ontario	748,704	....	153,739	902,443
	(665,449)	....	(90,160)	(755,609)
Prairies	193,100	....	1,691	194,791
	(186,696)	....	(1,429)	(188,125)
British Columbia	174,952	1,815	....	173,137
	(170,244)	(1,652)	....	(168,692)
Total, 1939	2,589,956	307,224	155,430	2,438,162
1938	(2,333,461)	(257,145)	(91,589)	2,168,006)
10 MONTHS ENDED OCTOBER				
Maritimes	729,809	14,798	....	715,011
	(718,447)	(13,336)	....	(704,911)
Quebec	12,476,151	2,906,136	....	9,570,015
	(11,169,849)	(2,416,696)	....	(8,753,153)
Ontario	6,587,419	....	1,314,872	7,902,291
	(6,124,322)	....	(931,389)	(7,055,711)
Prairies	1,787,539	....	15,317	1,802,856
	(1,655,928)	....	(14,530)	(1,670,458)
British Columbia	1,632,817	16,502	....	1,616,315
	(1,615,402)	(15,613)	....	(1,599,789)
Total, 1939	23,213,735	2,937,436	1,330,189	21,606,488
1938	(21,283,948)	(2,443,645)	(945,919)	(19,784,022)

Analysis of the returns brings to light a number of interesting facts on the current power situation in Canada.

Who Used Power

Last month 91.7% of all the power produced in Canada was used for industrial, commercial and domestic purposes. This represented a gain of .6% over Oct., 1938, returns.

The principal change in distribution of the available power supply was the falling off in exports. This applied only to October, as exports for the 10 months were on a greater scale than a year ago.

How last month's energy was distributed is shown in the following table; with comparative figures for October last year:

Distribution of Energy

Outlet:	October 1939	October 1938
Industrial Commercial Domestic	91.7%	91.1%
Exports	5.9	6.6
Elec. boilers	2.4	2.3
Total	100.0%	100.0%

Canada Uses More Power

During October production was 256,495 M. kw.h. greater than in the same month last year. Consumption on the other hand was 270,156 M. kw.h. higher, the difference being due to a drop of 13,661 M. kw.h. in exports.

It will be noted in the tabulation following that consumption of electrical energy increased to a greater extent in Ontario than in the other four economic areas. October was well up on the list, due, in large part, to the greater activity in the newsprint industry.

Curiously enough the amount of electrical energy consumed in the Maritime Provinces last month showed relatively little change from a year ago, while the Prairie Provinces reported a considerably larger increase than did British Columbia.

Net Change in Power Situation
October, 1939 vs. October, 1938
(In thousands of kilowatt hours)

Increase in:	
Production	256,495
Consumption	270,156
Maritimes	922
Quebec	111,290
Ontario	146,834
Prairies	6,666
British Columbia	4,445
Decrease in:	
Exports	13,661

Boilers Take 25%

Electrical boilers continue to be one of the most important outlets for the central stations' production.

For the first 10 months of this year 23.2% of all the power produced in Canada was delivered to electric boilers and of the amount consumed in the country (production less exports) 25% was used by electric boilers. During the same period last year only 21.25% of total production and 23.2% of power consumed was delivered to electric boilers.

The amount of energy delivered to electric boilers this year with comparative figures for 1938, by provinces, is set out in the following table:

Deliveries to Electric Boilers
(Thousands of kilowatt hours)
January to October

	1939	1938
New Brunswick	41,244	66,835
Quebec	3,886,756	3,434,752
Ontario	1,074,882	772,868
Manitoba	381,848	328,807
British Columbia	2,615	3,144
Total	5,387,345	4,606,406

Exports at Low Point

Export demands for Canadian power dropped off in October but for the year to date run well ahead of the 1938 returns. For October exports aggregated 151,794 M. kw.h., bringing the total for the year to date to 1,607,248 M. kw.h. This contrasts with, 165,455 and 1,499,926 M. kw.h. for the corresponding periods last year.

It is not without interest to note that exports to the States in October were the lowest for any single month since Sept., 1938.

Surplus Up For Alberta

Provincial Share of Relief Costs Reduced $629,000 — Revenues Up

An over-all surplus of $1,366,417 is reported by the Alberta Government for the year ended March 31, 1939. This compares with a surplus of $1,083,494 in the previous year.

Gain is due to reduction in relief costs. Revenue increased slightly over the previous year but expenditures other than relief were also higher. Relief costs were $629,736 lower at $1,427,626. The latter is the provincial share after reimbursements.

Debt charges at the reduced rates cost more than $3.9 millions. If full interest rates had been paid there would have been a deficit. No provision was made for sinking fund requirements.

Savings certificates outstanding were reduced during the year by $945,588 to $6,074,478.

Net Debt Reduced

Gross funded debt increased slightly, but net debt was reduced by almost $2 millions.

Funds held in trust for unclaimed interest amount to almost $5.2 millions, an increase of $1.9 million during the year. This fund has accrued because of the refusal of many bondholders to accept interest payments at the reduced rates.

Liquor profits touched a new peak, amounting to $2.7 millions.

Comparative figures of revenue, expenditures and debt are given below:

Revenue and Expenditure
Years Ended March 31

Revenue:	1939	1938
	$	$
Federal subsidy	1,781,788	1,776,130
Taxes	8,245,798	8,694,405
Licenses	2,544,532	2,265,024
Fees	2,785,111	2,495,397
Fines & penalties	68,742	61,474
Liquor profits	2,780,772	2,595,820
Refunds of exps.†	4,798,159	5,059,521
From revenue assets	1,205,699	1,129,409
Miscellaneous	59,216	50,625
Total	24,269,817	24,127,805
Expenses:		
Debt charges	3,963,433	3,961,011
Education	2,703,632	2,548,391
Legislation	209,015	232,993
General government	1,903,168	1,772,414
Justice	783,724	783,886
Agriculture	501,510	428,625
Public domain	649,814	446,216
Public welfare‡	9,140,684	9,761,884
Highways	1,288,918	1,336,618
Miscellaneous	98,727	87,701
Total†	21,242,625	21,359,739
Ordinary surplus	3,027,192	2,768,066
Net capital exp.	1,660,775	1,684,571
Over-all surplus	1,366,417	1,083,494

†Grants from Dominion Government for old-age pensions and relief. ‡Includes relief costs.

Debt Position
As at March 31

	1939	1938
	$	$
Funded debt	156,005,235	155,606,208
Less: Sinking fund	12,592,981	12,033,078
Net funded debt	143,412,254	143,573,130
Unfunded debt	15,386,741	15,708,843
Less: Cash & invest.	3,804,243	2,266,556
Net funded and unfunded debt	154,994,752	157,015,417
Less: Income assets	29,077,558	29,166,390
Net debt	125,917,194	127,849,027
Guarantees*	9,915,131	8,281,687

*Liability after deducting sinking funds.

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Income Tax Handbook

DOMINION OF CANADA INCOME WAR TAX ACT, 1939 edition. Published by The Kingsland Co., Montreal and Toronto, price $1, paper cover.

This book gives in the one volume, the Dominion Income War Tax Act of 1917, with all amendments down to those passed at the war session of parliament, in September. Sections and paragraphs in the act and its amendments are explained in numerous footnotes, where considered necessary. The text of the Excess Profits Tax Act, passed at the last session of parliament is also included. Other features of the book are:

The text of the Excess Profits Tax Act passed at the September session of parliament.

The provisions of the Defense Purchases, Profits Control and Financing Act of 1939, pertaining to taxation.

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A history of Canadian income tax.

An appendix containing notes on the calculation of income tax.

The book has 92 pages including indices.

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Dr. Micklem's little volume indicates clearly why there was no room in Germany for both National Socialism and religion.

All of these little books are published in the Oxford pamphlets on world affairs.

Democracy's Problem Child

THE CHANGING WEST. By William Allen White. Published by Macmillan Co. of Canada, Toronto. Price $1.75.

Veteran Middle West American editor, William Allen White, has long been regarded as an able spokesman of the "frontier" viewpoint. He returns to his interpretation in this little volume which seeks to explain to the people of the "East" why the people of the "West" think and act as they do. But his study goes beyond a discussion merely of the point of view of a single geographical area. To White the frontier mind and the democratic mind are synonymous. When new geographical frontiers existed people found a way to democratize the economic surplus. He hopes they will be able to do the same with the economic surplus that will result from the new frontiers that science has given to us.

Mr. White is an American. He writes as an American for Americans. But there is a remarkable resemblance between the Middle West across the border and the Prairie West of Canada. Mr. White helps Canadians to understand their own West and its aggressive economic and political philosophies.

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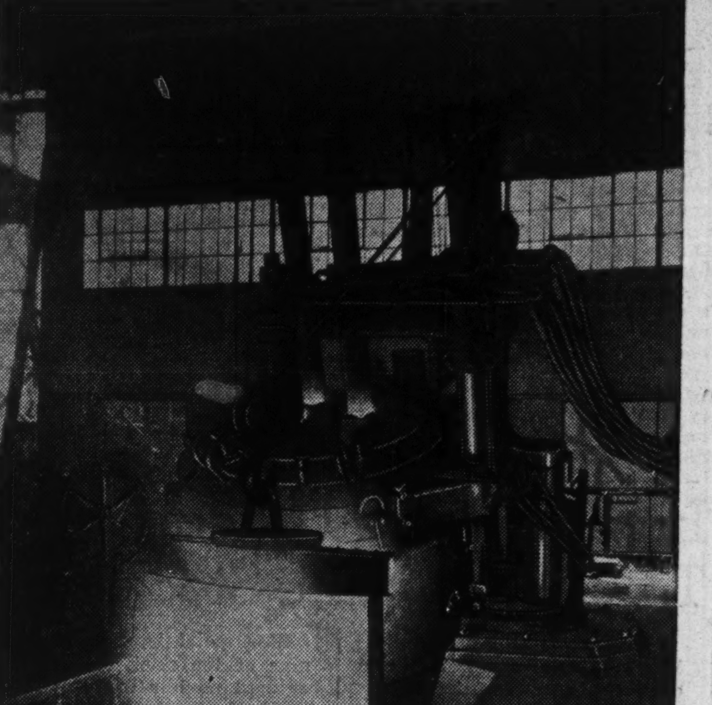

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